

Senate Study Bill 1240

SENATE FILE _____
BY (PROPOSED COMMITTEE ON WAYS AND
MEANS BILL BY CO=CHAIRPERSONS
BOLKCOM AND ZIEMAN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to taxation by making changes relating to
2 property tax, income tax, city and county budgets, and
3 providing effective dates and for the Act's applicability.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1064SC 81
6 sc/cf/24

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1 1 DIVISION I
1 2 ASSESSMENT AND VALUATION OF PROPERTY
1 3 Section 1. Section 421.30, subsection 6, Code 2005, is
1 4 amended to read as follows:
1 5 6. Upon the director's approval of the advancement of
1 6 funds from the reassessment expense fund, the director shall
1 7 certify to the appropriate conference board and assessor a
1 8 schedule for disbursing the loan to the assessing
1 9 jurisdiction's ~~appraiser~~ assessment expense fund authorized by
1 10 section ~~441.50~~ 441.16. The schedule shall provide for the
1 11 disbursement of funds over the period of the reassessment
1 12 project, except that ten percent of the funds shall not be
1 13 disbursed until the project is completed. The conference
1 14 board shall at its next opportunity levy pursuant to section
1 15 ~~441.50~~ 441.16 sufficient funds for purposes of repaying the
1 16 loan made from the reassessment expense fund. The amount
1 17 levied shall be sufficient to repay the loan in semiannual
1 18 installments during the course of the reappraisal project as
1 19 specified by a repayment schedule established by the director.
1 20 The repayment schedule shall provide for repayment of the loan
1 21 not later than one year following the completion of the
1 22 reassessment. Semiannual repayments of the proceeds of the
1 23 loan shall be made on or before December 1 and May 1 of each
1 24 year.
1 25 Sec. 2. NEW SECTION. 428.3 ON-SITE INSPECTIONS REQUIRED.
1 26 At least once every ten years, in an odd-numbered year, the
1 27 assessor shall conduct an on-site inspection of each parcel of
1 28 property located in the assessor's assessing jurisdiction.
1 29 Sec. 3. Section 428.29, Code 2005, is amended to read as
1 30 follows:
1 31 428.29 ASSESSMENT AND CERTIFICATION.
1 32 The director of revenue shall on the second Monday of July
1 33 of each year proceed to determine, upon the basis of the data
1 34 required in such report and any other information the director
1 35 may obtain, the actual and taxable value of all property,
2 1 subject to the director's jurisdiction, of said individual,
2 2 copartnership, corporation, or association, ~~and shall make~~
~~2 3 assessments upon the taxable value thereof, as provided by~~
~~2 4 section 441.21.~~ The director of revenue shall, on or before
2 5 the third Monday in August, certify to the county auditor of
2 6 every county in the state the valuations fixed for assessment
2 7 upon all such property in each and every taxing district in
2 8 each county by the department of revenue. This valuation
2 9 shall then be spread upon the books in the same manner as
2 10 other valuations fixed by the department of revenue upon
2 11 property assessed under the department's jurisdiction.
2 12 Sec. 4. Section 433.5, Code 2005, is amended to read as
2 13 follows:
2 14 433.5 ACTUAL AND TAXABLE VALUE PER MILE.
2 15 The director of revenue shall ascertain the value per mile

2 16 of the property of each of said companies within this state by
2 17 dividing the total value, as above ascertained, by the number
2 18 of miles of line of such company within the state, and the
2 19 result shall be deemed and held to be the actual and taxable
2 20 value per mile of line of the property of such company within
2 21 this state.

2 22 Sec. 5. Section 433.12, Code 2005, is amended by adding
2 23 the following new unnumbered paragraph:

2 24 NEW UNNUMBERED PARAGRAPH. "Telegraph and telephone
2 25 company" as used in this chapter includes cable television
2 26 providers and cellular telephone service providers.

2 27 Sec. 6. Section 434.15, unnumbered paragraph 1, Code 2005,
2 28 is amended to read as follows:

2 29 The said property shall be valued at its actual value, and
2 30 the assessments shall be made upon the taxable value of the
2 31 entire railway within the state, except as otherwise provided,
2 32 and the actual value so ascertained shall be ~~assessed as~~
2 33 ~~provided by section 441.21~~ the taxable value, and shall

2 34 include the right of way, roadbed, bridges, culverts, rolling
2 35 stock, depots, station grounds, shops, buildings, gravel beds,
3 1 and all other property, real and personal, exclusively used in
3 2 the operation of such railway. In assessing ~~said such~~ railway
3 3 and its equipments, the director of revenue shall take into
3 4 consideration the gross earnings per mile for the year ending
3 5 January 1, preceding, and any and all other matters necessary
3 6 to enable the director to make a just and equitable assessment
3 7 of ~~said such~~ railway property. If a part of any railway is
3 8 ~~without located outside~~ this state, ~~then~~, in estimating the
3 9 value of its rolling stock and movable property, the director
3 10 shall take into consideration the proportion which the
3 11 business of that part of the railway lying within the state
3 12 bears to the business of the railway ~~without located outside~~
3 13 this state.

3 14 Sec. 7. Section 435.26, subsection 1, paragraph a, Code
3 15 2005, is amended to read as follows:

3 16 a. A mobile home or manufactured home which is located
3 17 outside a manufactured home community or mobile home park
3 18 shall be converted to real estate by being placed on a
3 19 permanent foundation and shall be assessed for real estate
3 20 taxes. ~~A If the land on which the home is located is leased~~
3 21 ~~to the owner of the home, the value of the home shall be~~
3 22 ~~assessed and taxed against the owner of the leased land. The~~
3 23 ~~owner of a home, after conversion of the home to real estate,~~
3 24 ~~is and if placed on land owned by the owner of the home, may,~~
3 25 ~~if eligible, apply for the homestead tax credit and the~~
3 26 ~~military service tax exemption as provided in sections 425.2~~
3 27 ~~and 426A.11 exemption provided in section 425.1 and the~~
3 28 ~~reimbursement for property taxes due as provided in section~~
3 29 ~~425.16. If the land on which the home is located is leased to~~
3 30 ~~the occupant of the home, the occupant of the home may, if~~
3 31 ~~eligible, apply for the reimbursement for rent constituting~~
3 32 ~~property taxes paid as provided in section 425.16.~~

3 33 Sec. 8. Section 437.6, Code 2005, is amended to read as
3 34 follows:

3 35 437.6 ACTUAL AND TAXABLE VALUE.

4 1 On the second Monday in July of each year, the director of
4 2 revenue shall proceed to find the actual value of that part of
4 3 such transmission line or lines referred to in section 437.2,
4 4 owned or operated by any company, that is located within this
4 5 state but outside cities, including the whole of such line or
4 6 lines when all of such line or lines owned or operated by ~~said~~
4 7 ~~the~~ company is located wholly outside of cities, taking into
4 8 consideration the information obtained from the statements
4 9 required by this chapter, and any further information
4 10 obtainable, using the same as a means of determining the
4 11 actual cash value of such transmission line or lines or part
4 12 thereof, within this state, located outside of cities. The
4 13 director shall then ascertain the value per mile of such
4 14 transmission line or lines owned or operated by each company
4 15 specified in section 437.2, by dividing the total value as
4 16 above ascertained by the number of miles of line of such
4 17 company within the state located outside of cities, and the
4 18 result shall be deemed and held to be the actual and taxable
4 19 value per mile of ~~said such~~ transmission line or lines of each
4 20 of ~~said the~~ companies within the state located outside of
4 21 cities.

4 22 Sec. 9. Section 438.13, Code 2005, is amended to read as
4 23 follows:

4 24 438.13 BASIS OF VALUATION AND ASSESSMENT.

4 25 The said property shall be valued at its actual value, and
4 26 the assessments shall be made upon the taxable value of the

4 27 entire pipeline property within the state, except as otherwise
4 28 provided, ~~and the actual and taxable value so ascertained~~
~~4 29 shall be assessed as provided by section 441.21; and shall~~
4 30 include the rights of way, easements, the pipelines, stations,
4 31 grounds, shops, buildings, pumps and all other property, real
4 32 and personal exclusively used in the operation of such
4 33 pipeline. In assessing ~~said~~ such pipeline company and its
4 34 equipment, the director of revenue shall take into
4 35 consideration the gross earnings and the net earnings for the
5 1 entire property, and per mile, for the year ending December 31
5 2 preceding, and any and all other matters necessary to enable
5 3 the director to make a just and equitable assessment of ~~said~~
5 4 such pipeline property.

5 5 Sec. 10. Section 438.15, Code 2005, is amended to read as
5 6 follows:

5 7 438.15 ASSESSED VALUE IN EACH TAXING DISTRICT == RECORD.

5 8 At the first meeting of the board of supervisors held after
5 9 said statement is received by the county auditor, the board
5 10 shall cause the same to be entered on its minute book, and
5 11 make and enter in the minute book an order describing and
5 12 stating the assessed value of each pipeline lying in each
5 13 city, township, or lesser taxing district in its county,
5 14 through or into which the pipeline extends, as fixed by the
5 15 director of revenue, which shall constitute the ~~assessed~~
5 16 taxable value of the property for taxing purposes; and the
5 17 taxes on the property, when collected by the county treasurer,
5 18 shall be disposed of as other taxes. The county auditor shall
5 19 transmit a copy of the order to the council of the city, or
5 20 the trustees of the township, as the case may be.

5 21 Sec. 11. Section 441.1, Code 2005, is amended to read as
5 22 follows:

5 23 441.1 OFFICE OF ASSESSOR CREATED.

5 24 ~~In~~ Except as otherwise provided in section 441.16A, in
5 25 every county in the state of Iowa the office of assessor is
5 26 ~~hereby~~ created. A city having a population of ten thousand or
5 27 more, according to the latest federal census, may by ordinance
5 28 provide for the selection of a city assessor and for the
5 29 assessment of property in the city under the provisions of
5 30 this chapter. A city desiring to provide for assessment under
5 31 the provisions of this chapter shall, not less than sixty days
5 32 before the expiration of the term of the assessor in office,
5 33 notify the taxing bodies affected and proceed to establish a
5 34 conference board, examining board, and board of review and
5 35 select an assessor, all as provided in this chapter. A city
6 1 desiring to abolish the office of city assessor shall repeal
6 2 the ordinance establishing the office of city assessor, notify
6 3 the county conference board and the affected taxing districts,
6 4 provide for the transfer of appropriate records and other
6 5 matters, and provide for the abolition of the respective
6 6 boards and the termination of the terms of office of the
6 7 assessor and members of the respective boards. The abolition
6 8 of the city assessor's office shall take effect on July 1
6 9 following notification of the abolition unless otherwise
6 10 agreed to by the affected conference boards. If notification
6 11 of the proposed abolition is made after January 1, sufficient
6 12 funds shall be transferred from the city assessor's budget to
6 13 fund the additional responsibilities transferred to the county
6 14 assessor for the next fiscal year.

6 15 Sec. 12. Section 441.16, unnumbered paragraph 7, Code
6 16 2005, is amended to read as follows:

6 17 Any tax for the maintenance of the office of assessor and
6 18 other assessment procedure shall be levied only upon the
6 19 property in the area assessed by ~~said~~ the assessor and such
6 20 tax levy shall not exceed ~~forty and one-half~~ eighty-one cents
6 21 per thousand dollars of assessed value in assessing areas
6 22 where the valuation upon which the tax is levied does not
6 23 exceed ninety-two million, six hundred thousand dollars;
6 24 ~~thirty-three and three-fourths~~ seventy-four and one-fourth
6 25 cents per thousand dollars of assessed value in assessing
6 26 areas where the valuation upon which the tax is levied exceeds
6 27 ninety-two million, six hundred thousand dollars and does not
6 28 exceed one hundred eleven million, one hundred twenty thousand
6 29 dollars; ~~twenty-seven~~ sixty-seven and one-half cents per
6 30 thousand dollars of assessed value in assessing areas where
6 31 the valuation upon which the tax is levied exceeds one hundred
6 32 eleven million, one hundred twenty thousand dollars. The
6 33 county treasurer shall credit the sums received from such levy
6 34 to a separate fund to be known as the "assessment expense
6 35 fund" and from which fund all expenses incurred under this
7 1 chapter shall be paid. In the case of a county where there is
7 2 more than one assessor the treasurer shall maintain separate

7 3 assessment expense funds for each assessor.

7 4 Sec. 13. NEW SECTION. 441.16A COUNTIES JOINING IN

7 5 EMPLOYMENT OF MULTICOUNTY ASSESSOR.

7 6 The conference boards of two or more adjacent counties may
7 7 enter into an agreement to jointly employ a county assessor.
7 8 Such agreement shall be written and entered in their
7 9 respective minutes and a copy of the agreement transmitted to
7 10 the conference board of each county that is a party to the
7 11 agreement. The written agreement shall provide for the manner
7 12 of allocation of the budget of the assessor's office. The
7 13 provisions of chapter 28E shall be applicable to this section,
7 14 except that such agreement shall not be applicable for a
7 15 period of less than six years beginning from the date the
7 16 multicounty assessor is appointed by a conference board.

7 17 A multicounty conference board shall be established with
7 18 representation as provided for in section 441.2 from each
7 19 county that is a party to the agreement. The multicounty
7 20 conference board shall appoint one examining board.

7 21 The term of the multicounty assessor shall begin on July 1
7 22 following the date of the agreement and the terms of the
7 23 incumbent assessor in each county that is a party to the
7 24 agreement shall expire on that date, notwithstanding the term
7 25 specified in section 441.8.

7 26 Sec. 14. Section 441.17, subsection 7, Code 2005, is
7 27 amended to read as follows:

7 28 7. Submit on or before ~~May~~ October 1 of each year
7 29 completed assessment rolls to the board of review.

7 30 Sec. 15. NEW SECTION. 441.20 MULTICLASSIFICATION OF
7 31 PROPERTY.

7 32 Beginning with valuations established on or after January
7 33 1, 2006, the assessor may assign more than one classification
7 34 to a parcel of property if more than five percent of the value
7 35 of the property is used for a purpose other than the primary
8 1 use of the property, as determined by the assessor. Except as
8 2 otherwise provided in section 441.72, when assigning more than
8 3 one classification to a parcel of vacant or undeveloped land,
8 4 the assessor shall consider the potential use of the vacant or
8 5 undeveloped parcel. In determining potential use, the
8 6 assessor shall consider whether the vacant or undeveloped land
8 7 has been subdivided under chapter 354 and permitted uses of
8 8 the vacant or undeveloped land according to a zoning ordinance
8 9 adopted for the area.

8 10 Sec. 16. Section 441.21, subsection 1, paragraphs e, f,
8 11 and g, Code 2005, are amended to read as follows:

8 12 e. The actual value of agricultural ~~property land~~ shall be
8 13 determined on the basis of productivity and net earning
8 14 capacity of the ~~property land~~ determined on the basis of its
8 15 use for agricultural purposes capitalized at a rate of seven
8 16 percent and applied uniformly among counties and among classes
8 17 of ~~property land~~. Any formula or method employed to determine
8 18 productivity and net earning capacity of ~~property land~~ shall
8 19 be adopted in full by rule, except that such formula or method
8 20 shall determine productivity and net earning capacity based on
8 21 a ten-year average.

8 22 When determining whether a parcel of land should be
8 23 classified as agricultural land, the assessor shall consider
8 24 all of the following:

8 25 (1) Whether the parcel has been subdivided for purposes of
8 26 development.

8 27 (2) The permitted uses of the parcel according to the
8 28 zoning ordinance in effect, if any.

8 29 (3) If the parcel is or has been offered for sale during
8 30 the previous calendar year, the use for which it was
8 31 advertised.

8 32 (4) The primary use of surrounding parcels.

8 33 (5) The source of income produced from the land, if any.

8 34 (6) The highest and best use of the land as determined by
8 35 the assessor.

9 1 f. In counties or townships in which field work on a
9 2 modern soil survey has been completed since January 1, 1949,
9 3 the assessor shall place emphasis upon the results of the
9 4 survey in spreading the valuation among individual parcels of
9 5 such agricultural ~~property land~~.

9 6 g. Notwithstanding any other provision of this section,
9 7 the actual value of any property shall not exceed its fair and
9 8 reasonable market value, except agricultural ~~property land~~
9 9 which shall be valued exclusively as provided in paragraph "e"
9 10 ~~of this subsection.~~

9 11 Sec. 17. Section 441.21, subsection 1, Code 2005, is
9 12 amended by adding the following new paragraph:

9 13 NEW PARAGRAPH. h. The assessor shall determine the value

9 14 of real property in accordance with rules adopted by the
9 15 department of revenue and in accordance with forms and
9 16 guidelines contained in the real property appraisal manual
9 17 prepared by the department as updated from time to time, as
9 18 long as such rules, forms, and guidelines are not inconsistent
9 19 with or change the means, as provided in this section, of
9 20 determining the actual, market, taxable, and assessed values.
9 21 The rules, forms, and guidelines shall address, but not be
9 22 limited to, the following:
9 23 (1) A definition of agricultural land as it relates to
9 24 rural residential property.
9 25 (2) A definition of agricultural land as it relates to
9 26 land held for development.
9 27 (3) A method of assessment of agricultural structures at
9 28 uniform levels of cost.
9 29 Sec. 18. Section 441.21, subsection 2, Code 2005, is
9 30 amended to read as follows:
9 31 2. In the event market value of the property being
9 32 assessed cannot be readily established in the foregoing
9 33 manner, then the assessor may determine the value of the
9 34 property using the other uniform and recognized appraisal
9 35 methods including its productive and earning capacity, if any,
10 1 industrial conditions, its cost, physical and functional
10 2 depreciation and obsolescence and replacement cost, and all
10 3 other factors which would assist in determining the fair and
10 4 reasonable market value of the property but the actual value
10 5 shall not be determined by use of only one such factor. The
10 6 following shall not be taken into consideration: Special
10 7 value or use value of the property to its present owner, and
10 8 the good will or value of a business which uses the property
10 9 as distinguished from the value of the property as property.
10 10 However, in assessing property that is rented or leased to
10 11 low-income individuals and families as authorized by section
10 12 42 of the Internal Revenue Code, as amended, and which section
10 13 limits the amount that the individual or family pays for the
10 14 rental or lease of units in the property, the assessor shall
10 15 use the productive and earning capacity from the actual rents
10 16 received as a method of appraisal and shall take into account
10 17 the extent to which that use and limitation reduces the market
10 18 value of the property. The assessor shall not consider any
10 19 tax credit equity or other subsidized financing as income
10 20 provided to the property in determining the assessed value.
10 21 The property owner shall notify the assessor when property is
10 22 withdrawn from section 42 eligibility under the Internal
10 23 Revenue Code. The property shall not be subject to section 42
10 24 assessment procedures for the assessment year for which
10 25 section 42 eligibility is withdrawn. This notification must
10 26 be provided to the assessor no later than March 1 of the
10 27 assessment year or the owner will be subject to a penalty of
10 28 five hundred dollars for that assessment year. The penalty
10 29 shall be collected at the same time and in the same manner as
10 30 regular property taxes. Upon adoption of uniform rules by the
10 31 ~~revenue~~ department of revenue or succeeding authority covering
10 32 assessments and valuations of such properties, ~~said the~~
10 33 valuation on such properties shall be determined in accordance
10 34 ~~therewith~~ with such rules and in accordance with forms and
10 35 guidelines contained in the real property appraisal manual
11 1 prepared by the department as updated from time to time for
11 2 assessment purposes to assure uniformity, but such rules,
11 3 forms, and guidelines shall not be inconsistent with or change
11 4 the foregoing means of determining the actual, market, taxable
11 5 and assessed values.
11 6 Sec. 19. Section 441.21, subsections 4, 5, 9, and 10, Code
11 7 2005, are amended by striking the subsections.
11 8 Sec. 20. Section 441.21, subsection 6, Code 2005, is
11 9 amended to read as follows:
11 10 6. Beginning with valuations established as of January 1,
11 11 1978, the assessors shall report the aggregate taxable values
11 12 and the number of dwellings located on agricultural land and
11 13 the aggregate taxable value of all other structures on
11 14 agricultural land. Beginning with valuations established as
11 15 of January 1, 1981, the agricultural dwellings located on
11 16 agricultural land shall be valued at their market value as
11 17 defined in this section and agricultural dwellings shall be
11 18 valued as rural residential property and shall be assessed ~~at~~
11 19 ~~the same percentage of actual value~~ as is all other
11 20 residential property. Beginning with valuations established
11 21 as of January 1, 2006, a structure located on agricultural
11 22 land, excluding agricultural dwellings, shall be valued at its
11 23 market value as defined in this section multiplied by the
11 24 ratio, expressed as a percentage, of the productivity value of

11 25 all agricultural land in the county and the market value of
11 26 such land. Such structures shall be valued as agricultural
11 27 structures and the valuation determined under this subsection
11 28 shall be in addition to the valuation determined for
11 29 agricultural land under subsection 1.

11 30 Sec. 21. Section 441.21, subsection 12, Code 2005, is
11 31 amended to read as follows:

11 32 12. Beginning with valuations established on or after
11 33 January 1, 2002, as used in this section, "agricultural
11 34 property" includes the real estate of a vineyard and buildings
11 35 used in connection with the vineyard, including any building
12 1 used for processing wine if such building is located on the
12 2 same parcel as the vineyard. Beginning with valuations
12 3 established on or after January 1, 2006, as used in this
12 4 section, "agricultural land" includes the real estate of a
12 5 vineyard used in connection with the vineyard, and
12 6 "agricultural structures" includes structures used in
12 7 connection with the vineyard, including any structures used
12 8 for processing wine if such structure is located on the same
12 9 parcel as the vineyard.

12 10 Sec. 22. Section 441.21, Code 2005, is amended by adding
12 11 the following new subsection:

12 12 NEW SUBSECTION. 13. Beginning with valuations established
12 13 on or after January 1, 2006, the value of structures located
12 14 on leased land, which structures are not owned by the owner of
12 15 the land, shall be assessed and taxed to the owner of the
12 16 land. Structures located on leased land that is exempt from
12 17 taxation pursuant to section 427.1 shall be assessed and taxed
12 18 to the owner of the structure.

12 19 Sec. 23. Section 441.23, Code 2005, is amended to read as
12 20 follows:

12 21 441.23 NOTICE OF VALUATION.

12 22 If there has been an increase or decrease in the valuation
12 23 of the property, or upon the written request of the person
12 24 assessed, the assessor shall, at the time of making the
12 25 assessment, inform the person assessed, in writing, of the
12 26 valuation put upon the taxpayer's property, and notify the
12 27 person, that if the person feels aggrieved, to appear before
12 28 the board of review and show why the assessment should be
12 29 changed. However, if the valuation of a class of property is
12 30 uniformly decreased, the assessor may notify the affected
12 31 property owners by publication in the official newspapers of
12 32 the county. The owners of real property shall be notified not
12 33 later than ~~April~~ September 15 of any adjustment of the real
12 34 property assessment.

12 35 Sec. 24. Section 441.26, unnumbered paragraphs 2 and 3,
13 1 Code 2005, are amended to read as follows:

13 2 If you are not satisfied that the foregoing assessment is
13 3 correct, you may file a protest against such assessment with
13 4 the board of review on or after ~~April~~ September 16, to and
13 5 including ~~May~~ October 5, of the year of the assessment, such
13 6 protest to be confined to the grounds specified in section
13 7 441.37.

13 8 Dated: day of .. (month), (year)

13 9
13 10 County/City Assessor.

13 11 The notice in ~~1981~~ and each odd-numbered year ~~thereafter~~
13 12 shall contain a statement that the assessments ~~are~~ were
13 13 subject to equalization pursuant to an order issued by the
13 14 director of revenue, that the county auditor shall give notice
13 15 on or before ~~October 15~~ September 14 by publication in an
13 16 official newspaper of general circulation to any class of
13 17 property affected by the equalization order, and that the
13 18 board of review shall be in session from October ~~15~~ 1 to
13 19 November ~~15~~ 10 to hear protests of affected property owners or
13 20 taxpayers whose valuations have been adjusted by the
13 21 equalization order.

13 22 Sec. 25. Section 441.28, Code 2005, is amended to read as
13 23 follows:

13 24 441.28 ASSESSMENT ROLLS == CHANGE == NOTICE TO TAXPAYER.

13 25 1. The assessment shall be completed not later than April
13 26 ~~15~~ 1 each year. If the assessor makes any change in an
13 27 assessment after it has been entered on the assessor's rolls,
13 28 the assessor shall note on said roll, together with the
13 29 original assessment, the new assessment and the reason for the
13 30 change, together with the assessor's signature and the date of
13 31 the change. Provided, however, in the event the assessor
13 32 increases any assessment the assessor shall give notice in
13 33 writing thereof to the taxpayer by mail prior to the meeting
13 34 of the board of review. No changes shall be made on the
13 35 assessment rolls after April ~~15~~ 1 except by order of the board

14 1 of review or by decree of court.
14 2 2. The county assessor of each county and each city
14 3 assessor shall, on or before July 1 of each year, make out and
14 4 transmit to the department of revenue an abstract of the real
14 5 property in the assessor's county or city, as the case may be,
14 6 and file a copy of the abstract with the county auditor, in
14 7 which the assessor shall set forth:
14 8 a. The number of acres of land and the aggregate taxable
14 9 values of the land, exclusive of city lots, returned by the
14 10 assessors.
14 11 b. The aggregate taxable values of real estate by class in
14 12 each township and city in the county.
14 13 c. Other facts required by the director of revenue.
14 14 3. Completed assessments shall be mailed to taxpayers on
14 15 or before September 15. Completed assessments mailed in the
14 16 odd-numbered year shall have been adjusted as ordered by the
14 17 department pursuant to section 441.49.
14 18 4. The county assessor of each county and each city
14 19 assessor shall, on or before December 2 of each year, make out
14 20 and transmit to the department of revenue a revised abstract,
14 21 as corrected by the board of review, of the real property in
14 22 the assessor's county or city, as the case may be, and file a
14 23 copy of the revised abstract with the county auditor.
14 24 Sec. 26. Section 441.33, Code 2005, is amended to read as
14 25 follows:
14 26 441.33 SESSIONS OF BOARD OF REVIEW.
14 27 The board of review shall be in session from ~~May~~ October 1
14 28 through the period of time necessary to act on all protests
14 29 filed under section 441.37 but not later than ~~May~~ October 31
14 30 ~~each year in even-numbered years and November 10 in odd-~~
14 31 ~~numbered years~~ and for an additional period as required under
14 32 section 441.37 and shall hold as many meetings as are
14 33 necessary to discharge its duties. On or before ~~May~~ October
14 34 31 ~~or November 10, as applicable,~~ in those years in which a
14 35 session has not been extended as required under section
15 1 441.37, the board shall return all books, records, and papers
15 2 to the assessor except undisposed of protests and records
15 3 pertaining to those protests. If it has not completed its
15 4 work by ~~May~~ October 31 ~~or November 10, as applicable,~~ in those
15 5 years in which the session has not been extended under section
15 6 441.37, the director of revenue may authorize the board of
15 7 review to continue in session for a period necessary to
15 8 complete its work, but the director of revenue shall not
15 9 approve a continuance extending beyond ~~July~~ November 15 in
15 10 ~~even-numbered years and November 20 in odd-numbered years.~~ On
15 11 or before ~~May~~ October 31 ~~or November 10, as applicable,~~ or on
15 12 the final day of any extended session required under section
15 13 441.37 or authorized by the director of revenue, the board of
15 14 review shall adjourn until ~~May~~ October 1 of the following
15 15 year. It shall adopt its own rules of procedure, elect its
15 16 own chairperson from its membership, and keep minutes of its
15 17 meetings. The board shall appoint a clerk who may be a member
15 18 of the board or any other qualified person, except the
15 19 assessor or any member of the assessor's staff. It may be
15 20 reconvened by the director of revenue. All undisposed
15 21 protests in its hands on ~~July~~ November 15 in ~~even-numbered~~
15 22 ~~years and November 20 in odd-numbered years~~ shall be
15 23 automatically overruled and returned to the assessor together
15 24 with its other records.
15 25 Within fifteen days following ~~the final~~ adjournment of any
15 26 regular ~~or special~~ session, the board of review shall submit
15 27 to the director of revenue, on forms prescribed by the
15 28 director, a report of any actions taken during that session.
15 29 Sec. 27. Section 441.37, subsection 1, unnumbered
15 30 paragraph 1, Code 2005, is amended to read as follows:
15 31 Any property owner or aggrieved taxpayer who is
15 32 dissatisfied with the owner's or taxpayer's assessment may
15 33 file a protest against such assessment with the board of
15 34 review on or after ~~April~~ September 16, to and including ~~May~~
15 35 October 5, of the year of the assessment. In any county which
16 1 has been declared to be a disaster area by proper federal
16 2 authorities after ~~March~~ August 1 and prior to ~~May~~ October 20
16 3 of ~~said~~ the year of assessment, the board of review shall be
16 4 authorized to remain in session until ~~June~~ November 15 in
16 5 ~~even-numbered years and November 20 in odd-numbered years~~ and
16 6 the time for filing a protest shall be extended to and include
16 7 the period from ~~May~~ October 25 to ~~June~~ November 5 of such
16 8 year. ~~Said~~ The protest shall be in writing and signed by the
16 9 one protesting or by the protester's duly authorized agent.
16 10 The taxpayer may have an oral hearing ~~thereon~~ on the protest
16 11 if a written request therefor in writing for an oral hearing

16 12 is made at the time of filing the protest. ~~Said~~ The protest
16 13 must be confined to one or more of the following grounds:
16 14 Sec. 28. NEW SECTION. 441.37A ASSESSMENT REVIEW WITH THE
16 15 ASSESSOR.

16 16 1. The protest of assessment filed pursuant to section
16 17 441.37 may include a written request for an assessment review
16 18 with the local assessor prior to the board of review
16 19 considering the protest. The assessor shall conduct
16 20 assessment reviews from September 16 through September 30.

16 21 2. After the assessment review with the local assessor,
16 22 the aggrieved taxpayer or owner may withdraw the protest filed
16 23 with the board of review or may proceed with consideration of
16 24 the protest before the board of review.

16 25 3. If the assessor changes the assessment protested as a
16 26 result of an assessment review, the assessor shall mail an
16 27 amended assessment notice to the aggrieved taxpayer or owner
16 28 and to the board of review. If the assessment is changed but
16 29 the aggrieved taxpayer or owner elects to proceed with
16 30 consideration of the protest by the board of review, the
16 31 assessment considered by the board of review shall be the
16 32 amended assessment.

16 33 4. Any protests for which an assessment review was
16 34 requested and not disposed of by September 30 shall be
16 35 considered by the board of review.

17 1 Sec. 29. Section 441.38, subsection 1, Code 2005, is
17 2 amended to read as follows:

17 3 1. ~~Appeals in even-numbered years, appeals~~ may be taken
17 4 from the action of the board of review with reference to
17 5 protests of assessment, to the district court of the county in
17 6 which the board holds its sessions within twenty days after
17 7 its adjournment or ~~May~~ October 31, whichever date is later.
17 8 ~~In odd-numbered years, appeals may be taken within twenty days~~
17 9 ~~after its adjournment or November 10, whichever date is later.~~

17 10 No new grounds in addition to those set out in the protest to
17 11 the board of review as provided in section 441.37 can be
17 12 pleaded, but additional evidence to sustain those grounds may
17 13 be introduced. The assessor shall have the same right to
17 14 appeal and in the same manner as an individual taxpayer,
17 15 public body or other public officer as provided in section
17 16 441.42. Appeals shall be taken by filing a written notice of
17 17 appeal with the clerk of district court. Filing of the
17 18 written notice of appeal shall preserve all rights of appeal
17 19 of the appellant.

17 20 Sec. 30. Section 441.47, Code 2005, is amended to read as
17 21 follows:

17 22 441.47 ADJUSTED VALUATIONS.

17 23 1. The director of revenue on or about August ~~15, 1977~~ 1,
17 24 2007, and every two years thereafter shall order the
17 25 equalization of the levels of assessment of each class of
17 26 property in the several assessing jurisdictions by adding to
17 27 or deducting from the valuation of each class of property such
17 28 percentage in each case as may be necessary to bring the same
17 29 to its taxable value as fixed in this chapter and chapters 427
17 30 to 443. The director shall adjust to actual value the
17 31 valuation of any class of property as set out in the abstract
17 32 of assessment when the valuation is at least five percent
17 33 above or below actual value as determined by the director.

17 34 2. For purposes of such value adjustments and before such
17 35 equalization the director shall adopt, in the manner

18 1 prescribed by chapter 17A, such rules as may be necessary to
18 2 determine the level of assessment for each class of property
18 3 in each county. The rules shall cover all of the following:

18 4 ~~(1) a.~~ The proposed use of the assessment-sales ratio
18 5 study set out in section 421.17, subsection 6+.

18 6 ~~(2) b. the~~ The proposed use of any statewide income
18 7 capitalization studies+.

18 8 ~~(3) c. the~~ The proposed use of other methods that would
18 9 assist the director in arriving at the accurate level of
18 10 assessment of each class of property in each assessing
18 11 jurisdiction.

18 12 3. Each county for which a multicounty assessor is
18 13 appointed pursuant to section 441.16A is considered a separate
18 14 assessing jurisdiction for purposes of this section.

18 15 Sec. 31. Section 441.49, unnumbered paragraphs 1, 2, 3,
18 16 and 5, Code 2005, are amended to read as follows:

18 17 The director shall keep a record of the review and
18 18 adjustment proceedings and finish the proceedings on or before
18 19 ~~October 1~~ August 25 unless for good cause the proceedings
18 20 cannot be completed by that date. The director shall notify
18 21 each county auditor by mail of the final action taken at the
18 22 proceedings and specify any adjustments in the valuations of

18 23 any class of property to be made effective for the
18 24 jurisdiction.

18 25 However, an assessing jurisdiction may request the director
18 26 to permit the use of an alternative method of applying the
18 27 equalization order to the property values in the assessing
18 28 jurisdiction, provided that the final valuation shall be
18 29 equivalent to the director's equalization order. The
18 30 assessing jurisdiction shall notify the county auditor of the
18 31 request for the use of an alternative method of applying the
18 32 equalization order and the director's disposition of the
18 33 request. The request to use an alternative method of applying
18 34 the equalization order, including procedures for notifying
18 35 affected property owners and appealing valuation adjustments,
19 1 shall be made within ~~ten~~ six days from the date the county
19 2 auditor receives the equalization order and the valuation
19 3 adjustments, and appeal procedures shall be completed by
19 4 ~~November~~ September 30 of the year of the equalization order.
19 5 Compliance with the provisions of section 441.21 is sufficient
19 6 grounds for the director to permit the use of an alternative
19 7 method of applying the equalization order.

19 8 On or before ~~October 15~~ September 14 the county auditor
19 9 shall cause to be published in official newspapers of general
19 10 circulation the final equalization order. The publication
19 11 shall include, in type larger than the remainder of the
19 12 publication, the following statement: "Assessed values are
19 13 equalized by the department of revenue every two years. Local
19 14 taxing authorities determine the final tax levies and may
19 15 reduce property tax rates to compensate for any increase in
19 16 valuation due to equalization." Failure to publish the
19 17 equalization order has no effect upon the validity of the
19 18 orders.

19 19 The local board of review shall ~~reconvene in special~~
~~19 20 session from October 15 to November 15 for the purpose of~~
~~19 21 hearing, at its regular session, hear the protests of affected~~
19 22 property owners or taxpayers within the jurisdiction of the
19 23 board whose valuation of property if adjusted pursuant to the
19 24 equalization order issued by the director of revenue will
19 25 result in a greater value than permitted under section 441.21.
19 26 ~~The board of review shall accept protests only during the~~
~~19 27 first ten days following the date the local board of review~~
~~19 28 reconvenes. Protests shall be filed with the board from~~
~~19 29 September 16 through October 5.~~ The board of review shall
19 30 limit its review to only the timely filed protests. The board
19 31 of review may adjust all or a part of the percentage increase
19 32 ordered by the director of revenue by adjusting the actual
19 33 value of the property under protest to one hundred percent of
19 34 actual value. Any adjustment so determined by the board of
19 35 review shall not exceed the percentage increase provided for
20 1 in the director's equalization order. The determination of
20 2 the board of review on filed protests is final, subject to
20 3 review by the director of revenue for the purpose of
20 4 determining whether the board's actions substantially altered
20 5 the equalization order. In making the review, the director
20 6 has all the powers provided in chapter 421, and in exercising
20 7 the powers the director is not subject to chapter 17A. ~~Not~~
~~20 8 later than fifteen days following the adjournment of the~~
~~20 9 board, the board of review shall submit to the director of~~
~~20 10 revenue, on forms prescribed by the director, a report of all~~
~~20 11 actions taken by the board of review during this session.~~

20 12 Sec. 32. Section 441.50, Code 2005, is amended to read as
20 13 follows:

20 14 441.50 APPRAISERS EMPLOYED.

20 15 The conference board shall have power to employ appraisers
20 16 or other technical or expert help to assist in the valuation
20 17 of property, the cost thereof to be paid in the same manner as
20 18 other expenses of the assessor's office. ~~The conference board~~
~~20 19 may certify for levy annually an amount not to exceed forty~~
~~20 20 and one-half cents per thousand dollars of assessed value of~~
~~20 21 taxable property for the purpose of establishing a special~~
~~20 22 appraiser's fund, to be used only for such purposes. From~~
~~20 23 time to time the conference board may direct the transfer of~~
~~20 24 any unexpended balance in the special appraiser's fund to the~~
~~20 25 assessment expense fund.~~

20 26 Sec. 33. Section 441.54, Code 2005, is amended to read as
20 27 follows:

20 28 441.54 CONSTRUCTION.

20 29 Whenever in the laws of this state, the words "assessor" or
20 30 "assessors" appear, singly or in combination with other words,
20 31 they shall be deemed to mean and refer to the multicounty,
20 32 county, or city assessor, as the case may be.

20 33 Sec. 34. NEW SECTION. 441.58 CONFIDENTIALITY OF CERTAIN

20 34 INFORMATION REQUIRED == ASSESSOR AND BOARD OF REVIEW.

20 35 The assessor and the board of review shall keep
21 1 confidential any documents, reports, audits, and other
21 2 information supplied by a taxpayer or property owner relating
21 3 to the amount or source of income, profits, losses, or
21 4 expenditures of the taxpayer or property owner, except that
21 5 such information shall be made available to the taxpayer or
21 6 property owner or that person's counsel and to the court in
21 7 case any appeal is taken.

21 8 Sec. 35. Section 441.72, Code 2005, is amended to read as
21 9 follows:

21 10 441.72 ASSESSMENT OF PLATTED LOTS.

21 11 When a subdivision plat is recorded pursuant to chapter
21 12 354, the individual lots within the subdivision plat shall not
21 13 be assessed in excess of the total assessment of the land as
21 14 acreage or unimproved property for ~~three~~ six years after the
21 15 recording of the plat or until the lot is actually improved
21 16 with permanent construction, whichever occurs first. When an
21 17 individual lot has been improved with permanent construction,
21 18 the lot shall be assessed for taxation purposes as provided in
21 19 chapter 428 and this chapter. This section does not apply to
21 20 special assessment levies.

21 21 Sec. 36. Section 443.22, Code 2005, is amended to read as
21 22 follows:

21 23 443.22 UNIFORM ASSESSMENTS MANDATORY.

21 24 All assessors and assessing bodies, including the
21 25 department of revenue having authority over the assessment of
21 26 property for tax purposes, shall comply with sections 428.4,
21 27 428.29, 434.15, 438.13, 441.21, and ~~441.45~~ 441.28. The
21 28 department of revenue having authority over the assessments,
21 29 shall exercise its powers and perform its duties under section
21 30 421.17 and other applicable laws so as to require the uniform
21 31 and consistent application of said section.

21 32 Sec. 37. Chapter 405, Code 2005, is repealed.

21 33 Sec. 38. Sections 403.20, 433.6, 437.7, and 441.45, Code
21 34 2005, are repealed.

21 35 Sec. 39. APPLICABILITY DATE. Except as otherwise provided
22 1 in this division, this division of this Act applies to
22 2 assessment years beginning on or after January 1, 2006.

22 3 DIVISION II

22 4 CREDITS, EXEMPTIONS, AND REIMBURSEMENTS

22 5 Sec. 40. Section 25B.7, Code 2005, is amended to read as
22 6 follows:

22 7 25B.7 FUNDING PROPERTY TAX CREDITS AND EXEMPTIONS.

22 8 1. Beginning with property taxes due and payable in the
22 9 fiscal year beginning July 1, ~~1998~~ 2006, the cost of providing
22 10 a property tax credit or property tax exemption which is
22 11 enacted by the general assembly on or after January 1, ~~1997~~
22 12 2005, shall be fully funded by the state. If a state
22 13 appropriation made to fund a credit or exemption which is
22 14 enacted on or after January 1, ~~1997~~ 2005, is not sufficient to
22 15 fully fund the credit or exemption, the political subdivision
22 16 shall be required to extend to the taxpayer only that portion
22 17 of the credit or exemption estimated by the department of
22 18 revenue to be funded by the state appropriation. The
22 19 department of revenue shall determine by June 15 the estimated
22 20 portion of the credit or exemption which will be funded by the
22 21 state appropriation.

22 22 2. The requirement for fully funding and the consequences
22 23 of not fully funding credits and exemptions under subsection 1
22 24 ~~also shall not apply to all of the following:~~

22 25 ~~a. Homestead tax credit the homestead exemption pursuant~~
22 26 ~~to sections 425.1 through 425.15.~~

22 27 ~~b. Low-income property tax credit and elderly and disabled~~
22 28 ~~property tax credit pursuant to sections 425.16 through~~
22 29 ~~425.40.~~

22 30 ~~c. Military service property tax credit and exemption~~
22 31 ~~pursuant to chapter 426A, to the extent of six dollars and~~
22 32 ~~ninety-two cents per thousand dollars of assessed value of the~~
22 33 ~~exempt property.~~

22 34 Sec. 41. Section 100.18, subsection 2, paragraph b, Code
22 35 2005, is amended to read as follows:

23 1 b. The rules shall require the installation of smoke
23 2 detectors in existing single-family rental units and multiple-
23 3 unit residential buildings. Existing single-family dwelling
23 4 units shall be equipped with approved smoke detectors. A
23 5 person who files for a homestead ~~credit~~ exemption pursuant to
23 6 chapter 425 shall certify that the single-family dwelling unit
23 7 for which the ~~credit~~ exemption is filed has a smoke detector
23 8 installed in compliance with this section, or that one will be
23 9 installed within thirty days of the date the filing for the

23 10 ~~credit exemption~~ is made. The state fire marshal shall adopt
23 11 rules and establish appropriate procedures to administer this
23 12 subsection.

23 13 Sec. 42. Section 216.12, subsection 5, Code 2005, is
23 14 amended to read as follows:

23 15 5. The rental or leasing of a housing accommodation in a
23 16 building which contains housing accommodations for not more
23 17 than four families living independently of each other, if the
23 18 owner resides in one of the housing accommodations for which
23 19 the owner qualifies for the homestead ~~tax credit exemption~~
23 20 under section 425.1.

23 21 Sec. 43. Section 331.401, subsection 1, paragraphs e and
23 22 f, Code 2005, are amended to read as follows:

23 23 e. Adopt resolutions authorizing the county assessor to
23 24 provide forms for homestead exemption claimants as provided in
23 25 section 425.2 ~~and military service tax exemptions as provided~~
~~23 26 in section 426A.14.~~

23 27 f. Examine and allow or disallow claims for homestead
23 28 exemption in accordance with section 425.3 ~~and claims for~~
~~23 29 military service tax exemption in accordance with chapter~~
~~23 30 426A.~~ The board, by a single resolution, may allow or
23 31 disallow the exemptions recommended by the assessor.

23 32 Sec. 44. Section 331.401, subsection 1, paragraph g, Code
23 33 2005, is amended by striking the paragraph.

23 34 Sec. 45. Section 331.512, subsection 3, Code 2005, is
23 35 amended to read as follows:

24 1 3. Carry out duties relating to the homestead ~~tax credit~~
~~24 2 and agricultural land tax credit exemption~~ as provided in
24 3 ~~chapters chapter 425 and 426.~~

24 4 Sec. 46. Section 331.512, subsection 4, Code 2005, is
24 5 amended by striking the subsection.

24 6 Sec. 47. Section 331.559, subsection 12, Code 2005, is
24 7 amended to read as follows:

24 8 12. Carry out duties relating to the administration of the
24 9 homestead ~~tax credit exemption, the reimbursement for property~~
~~24 10 taxes due, and the reimbursement for rent constituting~~
~~24 11 property taxes paid, all as provided in sections 425.4, 425.5,~~
~~24 12 425.7, 425.9, 425.10, and 425.25 chapter 425.~~

24 13 Sec. 48. Section 331.559, subsections 13 and 14, Code
24 14 2005, are amended by striking the subsections.

24 15 Sec. 49. Section 403.19, Code 2005, is amended by adding
24 16 the following new subsection:

24 17 NEW SUBSECTION. 8. For ordinances adopted pursuant to
24 18 this section before July 1, 2007, the assessment roll
24 19 applicable to property subject to taxation under section
24 20 427.1A shall be the assessment roll for the assessment year
24 21 beginning January 1, 2006.

24 22 Sec. 50. Section 404.3, subsection 1, Code 2005, is
24 23 amended to read as follows:

24 24 1. All qualified real estate assessed as residential
24 25 property is eligible to receive an exemption from taxation
24 26 based on the actual value added by the improvements. The
24 27 exemption is for a period of ten years. The amount of the
24 28 exemption is equal to a percent of the actual value added by
24 29 the improvements, determined as follows: One hundred fifteen
24 30 percent of the value added by the improvements. However, the
24 31 amount of the actual value added by the improvements which
24 32 shall be used to compute the exemption shall not exceed twenty
24 33 thousand dollars ~~and the granting of the exemption shall not~~
~~24 34 result in the actual value of the qualified real estate being~~
~~24 35 reduced below the actual value on which the homestead credit~~
~~25 1 is computed under section 425.1.~~

25 2 Sec. 51. Section 420.207, Code 2005, is amended to read as
25 3 follows:

25 4 420.207 TAXATION IN GENERAL.

25 5 Sections ~~426A.11 through 426A.15,~~ 427.1, 427.8 to 427.11,
25 6 428.4, 428.20, 428.22, 428.23, 437.1, 437.3, 441.21, 443.1 to
25 7 443.3, 444.2 to 444.5, and 447.9 to 447.13, so far as
25 8 applicable, apply to cities acting under special charters.

25 9 Sec. 52. NEW SECTION. 422.11K MILITARY VETERANS TAX
25 10 CREDIT.

25 11 1. The taxes imposed under this division, less the credits
25 12 allowed under sections 422.12 and 422.12B, shall be reduced by
25 13 a military veterans tax credit equal to thirty-five dollars.
25 14 To qualify for the credit, the taxpayer must be an honorably
25 15 separated, retired, furloughed to a reserve, placed on
25 16 inactive status, or discharged veteran as defined in section
25 17 35.1. "Veteran" also includes, without limitation, the
25 18 members of the United States air force, merchant marine, and
25 19 coast guard.

25 20 2. In case a person specified in subsection 1 does not

25 21 claim the tax credit for a tax year, the credit may be claimed
25 22 by any one of the following persons in the order named:

25 23 a. The spouse, or surviving spouse, of a veteran, as
25 24 described in subsection 1, where they are living together or
25 25 were living together at the time of the death of the veteran.

25 26 b. The parent whose spouse is deceased, of a veteran, as
25 27 described in subsection 1, whether living or deceased, where
25 28 the parent is, or was at the time of death of the veteran,
25 29 dependent on the veteran for support.

25 30 c. The minor child, or children, of a deceased veteran, as
25 31 described in subsection 1.

25 32 3. To receive the military veterans tax credit, the
25 33 eligible taxpayer must file with the taxpayer's income tax
25 34 return the military certificate of satisfactory service, order
25 35 transferring to inactive status, reserve, retirement, order of
26 1 separation from service, honorable discharge, or a copy of any
26 2 of these documents of the person claiming or through whom is
26 3 claimed the exemption.

26 4 4. Any credit in excess of the tax liability shall be
26 5 refunded.

26 6 Sec. 53. Section 425.1, Code 2005, is amended by striking
26 7 the section and inserting in lieu thereof the following:

26 8 425.1 HOMESTEAD TAX EXEMPTION.

26 9 An exemption of value from taxation for the ownership of a
26 10 homestead shall be allowed as provided in this chapter. The
26 11 amount of the exemption is equal to ten thousand dollars plus
26 12 fifty percent of the assessed value of the homestead exceeding
26 13 ten thousand dollars or one hundred fifty thousand dollars,
26 14 whichever is less. However, the exemption allowed under this
26 15 chapter shall not cause the assessed value of a homestead to
26 16 be reduced to less than zero.

26 17 Sec. 54. Section 425.2, Code 2005, is amended to read as
26 18 follows:

26 19 425.2 QUALIFYING FOR ~~CREDIT~~ EXEMPTION.

26 20 A person who wishes to qualify for the ~~credit exemption~~
26 21 allowed under this chapter shall obtain the appropriate forms
26 22 for filing for the ~~credit exemption~~ from the assessor. The
26 23 person claiming the ~~credit exemption~~ shall file a verified
26 24 statement and designation of homestead with the assessor for
26 25 the year for which the person is first claiming the ~~credit~~
26 26 ~~exemption~~. The claim shall be filed not later than July 1 of
26 27 the year for which the person is claiming the ~~credit~~
26 28 ~~exemption~~. A claim filed after July 1 of the year for which
26 29 the person is claiming the ~~credit exemption~~ shall be
26 30 considered as a claim filed for the following year.

26 31 Upon the filing and allowance of the claim, the claim shall
26 32 be allowed on that homestead for successive years without
26 33 further filing as long as the property is legally or equitably
26 34 owned and used as a homestead by that person or that person's
26 35 spouse on July 1 of each of those successive years, and the
27 1 owner of the property being claimed as a homestead declares
27 2 residency in Iowa for purposes of income taxation, and the
27 3 property is occupied by that person or that person's spouse
27 4 for at least six months in each of those calendar years in
27 5 which the fiscal year begins. When the property is sold or
27 6 transferred, the buyer or transferee who wishes to qualify
27 7 shall refile for the ~~credit exemption~~. However, when the
27 8 property is transferred as part of a distribution made
27 9 pursuant to chapter 598, the transferee who is the spouse
27 10 retaining ownership of the property is not required to refile
27 11 for the ~~credit exemption~~. Property divided pursuant to
27 12 chapter 598 shall not be modified following the division of
27 13 the property. An owner who ceases to use a property for a
27 14 homestead or intends not to use it as a homestead for at least
27 15 six months in a calendar year shall provide written notice to
27 16 the assessor by July 1 following the date on which the use is
27 17 changed. A person who sells or transfers a homestead or the
27 18 personal representative of a deceased person who had a
27 19 homestead at the time of death, shall provide written notice
27 20 to the assessor that the property is no longer the homestead
27 21 of the former claimant.

27 22 In case the owner of the homestead is in active service in
27 23 the armed forces of this state or of the United States, or is
27 24 sixty-five years of age or older, or is disabled, the
27 25 statement and designation may be signed and delivered by any
27 26 member of the owner's family, by the owner's guardian or
27 27 conservator, or by any other person who may represent the
27 28 owner under power of attorney. If the owner of the homestead
27 29 is married, the spouse may sign and deliver the statement and
27 30 designation. The director of human services or the director's
27 31 designee may make application for the benefits of this chapter

27 32 as the agent for and on behalf of persons receiving assistance
27 33 under chapter 249.

27 34 Any person sixty-five years of age or older or any person
27 35 who is disabled may request, in writing, from the appropriate
28 1 assessor forms for filing for ~~homestead tax credit~~ the
28 2 exemption. Any person sixty-five years of age or older or who
28 3 is disabled may complete the form, which shall include a
28 4 statement of homestead, and mail or return it to the
28 5 appropriate assessor. The signature of the claimant on the
28 6 statement shall be considered the claimant's acknowledgment
28 7 that all statements and facts entered on the form are correct
28 8 to the best of the claimant's knowledge.

28 9 Upon adoption of a resolution by the county board of
28 10 supervisors, any person may request, in writing, from the
28 11 appropriate assessor forms for the filing for ~~homestead tax~~
28 12 ~~credit~~ the exemption. The person may complete the form, which
28 13 shall include a statement of homestead, and mail or return it
28 14 to the appropriate assessor. The signature of the claimant on
28 15 the statement of homestead shall be considered the claimant's
28 16 acknowledgment that all statements and facts entered on the
28 17 form are correct to the best of the claimant's knowledge.

28 18 Sec. 55. Section 425.3, unnumbered paragraph 4, Code 2005,
28 19 is amended to read as follows:

28 20 The county auditor shall forward the claims to the board of
28 21 supervisors. The board shall allow or disallow the claims.
28 22 If the board disallows a claim, it shall send written notice,
28 23 by mail, to the claimant at the claimant's last known address.
28 24 The notice shall state the reasons for disallowing the claim
28 25 for the ~~credit~~ exemption. The board is not required to send
28 26 notice that a claim is disallowed if the claimant voluntarily
28 27 withdraws the claim.

28 28 Sec. 56. Section 425.6, Code 2005, is amended to read as
28 29 follows:

28 30 425.6 WAIVER BY NEGLECT.

28 31 If a person fails to file a claim or to have a claim on
28 32 file with the assessor for the ~~credits~~ exemptions provided in
28 33 this chapter, the person is deemed to have waived the
28 34 ~~homestead credit~~ exemption for the year in which the person
28 35 failed to file the claim or to have a claim on file with the
29 1 assessor.

29 2 Sec. 57. Section 425.7, subsection 3, Code 2005, is
29 3 amended to read as follows:

29 4 3. If the director of revenue determines that a claim for
29 5 ~~homestead credit~~ the exemption has been allowed by the board
29 6 of supervisors which is not justifiable under the law and not
29 7 substantiated by proper facts, the director may, at any time
29 8 within thirty-six months from July 1 of the year in which the
29 9 claim is allowed, set aside the allowance. Notice of the
29 10 disallowance shall be given to the county auditor of the
29 11 county in which the claim has been improperly granted and a
29 12 written notice of the disallowance shall also be addressed to
29 13 the claimant at the claimant's last known address. The
29 14 claimant or board of supervisors may appeal to the state board
29 15 of tax review pursuant to section 421.1, subsection 4. The
29 16 claimant or the board of supervisors may seek judicial review
29 17 of the action of the state board of tax review in accordance
29 18 with chapter 17A.

29 19 If a claim is disallowed by the director of revenue and not
29 20 appealed to the state board of tax review or appealed to the
29 21 state board of tax review and thereafter upheld upon final
29 22 resolution, including any judicial review, ~~any amounts of~~
29 23 ~~credits allowed and paid from the homestead credit fund~~
29 24 ~~including the penalty, if any, the taxes that would have been~~
29 25 ~~due on the disallowed claim, if not otherwise paid, shall~~

29 26 become a lien upon the property on which ~~credit~~ the exemption
29 27 was originally granted, if still in the hands of the claimant,
29 28 and not in the hands of a bona fide purchaser, and any amount
29 29 ~~so erroneously of such taxes not paid~~ including the penalty,
29 30 if any, shall be collected by the county treasurer in the same
29 31 manner as other taxes ~~and the collections shall be returned to~~
29 32 ~~the department of revenue and credited to the homestead credit~~
29 33 ~~fund. The director of revenue may institute legal proceedings~~
29 34 ~~against a homestead credit claimant for the collection of~~
29 35 ~~payments made on disallowed credits and the penalty, if any.~~

30 1 If a person makes a false claim or affidavit with fraudulent
30 2 intent to obtain the ~~homestead credit~~ exemption, the person is
30 3 guilty of a fraudulent practice and the claim shall be
30 4 disallowed in full. ~~If the credit has been paid, the amount~~
30 5 ~~of the credit plus a penalty equal to twenty-five percent of~~
30 6 ~~the amount of credit plus interest, at the rate in effect~~
30 7 ~~under section 421.7, from the time of payment shall be~~

~~30 8 collected by the county treasurer in the same manner as other~~
~~30 9 property taxes, penalty, and interest are collected and when~~
~~30 10 collected shall be paid to the director of revenue. If a~~
~~30 11 homestead credit exemption~~ is disallowed and the claimant
30 12 failed to give written notice to the assessor as required by
30 13 section 425.2 when the property ceased to be used as a
30 14 homestead by the claimant, a civil penalty equal to five
30 15 percent of the amount of the taxes that would have been due on
~~30 16 the disallowed credit exemption~~ is assessed against the
30 17 claimant.

30 18 Sec. 58. Section 425.8, unnumbered paragraph 1, Code 2005,
30 19 is amended to read as follows:

30 20 The director of revenue shall prescribe the form for the
30 21 making of verified statement and designation of homestead, the
30 22 form for the supporting affidavits required herein, and such
30 23 other forms as may be necessary for the proper administration
30 24 of this chapter. Whenever necessary, the department of
30 25 revenue shall forward to the county auditors of the several
30 26 counties in the state the prescribed sample forms, and the
30 27 county auditors shall furnish blank forms prepared in
30 28 accordance therewith with the assessment rolls, books, and
30 29 supplies delivered to the assessors. The department of
30 30 revenue shall prescribe and the county auditors shall provide
30 31 on the forms for claiming the ~~homestead credit exemption~~ a
30 32 statement to the effect that the owner realizes that the owner
30 33 must give written notice to the assessor when the owner
30 34 changes the use of the property.

30 35 Sec. 59. Section 425.9, Code 2005, is amended by striking
31 1 the section and inserting in lieu thereof the following:

31 2 425.9 EXEMPTION == APPEAL == CREDIT.

31 3 If any claim for exemption made under this chapter has been
31 4 denied by the board of supervisors, and such action is
31 5 subsequently reversed on appeal, the exemption shall be
31 6 allowed on the homestead involved in the appeal, and the
31 7 director of revenue, the county auditor, and the county
31 8 treasurer shall change their books and records accordingly.

31 9 If the tax has been levied on the exemption amount of the
31 10 homestead of the appealing taxpayer or the appealing taxpayer
31 11 has paid one or both of the installments of the tax payable in
31 12 the year or years in question on such homestead valuation, a
31 13 credit for such taxes shall be applied to the property if
31 14 still in the hands of the claimant.

31 15 Sec. 60. Section 425.10, Code 2005, is amended to read as
31 16 follows:

31 17 425.10 REVERSAL OF ALLOWED CLAIM.

31 18 In the event any claim is allowed, and subsequently
31 19 reversed on appeal, any ~~credit exemption~~ made thereunder shall
31 20 be void, and the amount of ~~such credit~~ the taxes that would
~~31 21 have been due on the exemption~~ shall be charged against the
31 22 property in question, and the director of revenue, the county
31 23 auditor, and the county treasurer are authorized and directed
31 24 to correct their books and records accordingly. The amount of
31 25 ~~such taxes due on the erroneous credit exemption~~, when
31 26 collected, shall be returned distributed by the county
31 27 treasurer to the ~~homestead credit fund to be reallocated the~~
~~31 28 following year as provided herein other jurisdictions in the~~
~~31 29 same proportion as the other taxes.~~

31 30 Sec. 61. Section 425.11, subsection 1, Code 2005, is
31 31 amended to read as follows:

31 32 1. The words "assessed valuation" shall mean the taxable
31 33 valuation of the homestead as fixed by the assessor, or by the
31 34 board of review, under the provisions of section 441.21-
~~31 35 without deducting therefrom the exemptions authorized in~~
~~32 1 section 426A.11.~~

32 2 Sec. 62. Section 425.11, subsection 3, paragraph a,
32 3 unnumbered paragraph 1, Code 2005, is amended to read as
32 4 follows:

32 5 The homestead includes the dwelling house which the owner,
32 6 in good faith, is occupying as a home on July 1 of the year
32 7 for which the ~~credit exemption~~ is claimed and occupies as a
32 8 home for at least six months during the calendar year in which
32 9 the fiscal year begins, except as otherwise provided.

32 10 Sec. 63. Section 425.11, subsection 3, paragraph c, Code
32 11 2005, is amended to read as follows:

32 12 c. It must not embrace more than one dwelling house, but
32 13 where a homestead has more than one dwelling house situated
32 14 thereon, the ~~credit exemption~~ provided for in this chapter
32 15 shall apply to the home and buildings used by the owner, but
32 16 shall not apply to any other dwelling house and buildings
32 17 appurtenant.

32 18 Sec. 64. Section 425.11, subsection 4, unnumbered

32 19 paragraph 1, Code 2005, is amended to read as follows:

32 20 The word "owner" shall mean the person who holds the fee
32 21 simple title to the homestead, and in addition shall mean the
32 22 person occupying as a surviving spouse or the person occupying
32 23 under a contract of purchase which contract has been recorded
32 24 in the office of the county recorder of the county in which
32 25 the property is located, or the person occupying the homestead
32 26 under devise or by operation of the inheritance laws where the
32 27 whole interest passes or where the divided interest is shared
32 28 only by persons related or formerly related to each other by
32 29 blood, marriage or adoption, or the person occupying the
32 30 homestead is a shareholder of a family farm corporation that
32 31 owns the property, or the person occupying the homestead under
32 32 a deed which conveys a divided interest where the divided
32 33 interest is shared only by persons related or formerly related
32 34 to each other by blood, marriage or adoption or where the
32 35 person occupying the homestead holds a life estate with the
33 1 reversion interest held by a nonprofit corporation organized
33 2 under chapter 504 or 504A, provided that the holder of the
33 3 life estate is liable for and pays property tax on the
33 4 homestead or where the person occupying the homestead holds an
33 5 interest in a horizontal property regime under chapter 499B,
33 6 regardless of whether the underlying land committed to the
33 7 horizontal property regime is in fee or as a leasehold
33 8 interest, provided that the holder of the interest in the
33 9 horizontal property regime is liable for and pays property tax
33 10 on the homestead. For the purpose of this chapter the word
33 11 "owner" shall be construed to mean a bona fide owner and not
33 12 one for the purpose only of availing the person of the
33 13 benefits of this chapter. In order to qualify for the
33 14 homestead ~~tax credit exemption~~, evidence of ownership shall be
33 15 on file in the office of the clerk of the district court or
33 16 recorded in the office of the county recorder at the time the
33 17 owner files with the assessor a verified statement of the
33 18 homestead claimed by the owner as provided in section 425.2.

33 19 Sec. 65. Section 425.12, Code 2005, is amended to read as
33 20 follows:

33 21 425.12 INDIAN LAND.

33 22 Each forty acres of land, or fraction thereof, occupied by
33 23 a member or members of the Sac and Fox Indians in Tama county,
33 24 which land is held in trust by the secretary of the interior
33 25 of the United States for said Indians, shall be given a
33 26 homestead ~~tax credit exemption~~ within the meaning and under
33 27 the provisions of this chapter. Application for such
33 28 homestead ~~tax credit exemption~~ shall be made to the county
33 29 auditor of Tama county and may be made by a representative of
33 30 the tribal council.

33 31 Sec. 66. Section 425.13, Code 2005, is amended to read as
33 32 follows:

33 33 425.13 CONSPIRACY TO DEFRAUD.

33 34 If any two or more persons conspire and confederate
33 35 together with fraudulent intent to obtain the ~~credit homestead~~
34 1 ~~exemption~~ provided for under the terms of this chapter by
34 2 making a false deed, or a false contract of purchase, they are
34 3 guilty of a fraudulent practice.

34 4 Sec. 67. Section 425.15, Code 2005, is amended to read as
34 5 follows:

34 6 425.15 DISABLED VETERAN TAX CREDIT.

34 7 If the owner of a homestead allowed ~~a credit an exemption~~
34 8 under this chapter is a veteran of any of the military forces
34 9 of the United States, who acquired the homestead under 38
34 10 U.S.C. } 21.801, 21.802, or 38 U.S.C. } 2101, 2102, the ~~credit~~
34 11 ~~exemption~~ allowed on the homestead ~~from the homestead credit~~
34 12 ~~fund~~ shall be the entire amount of the ~~tax levied on assessed~~
34 13 ~~value of~~ the homestead. The ~~credit exemption~~ allowed shall be
34 14 continued to the estate of a veteran who is deceased or the
34 15 surviving spouse and any child, as defined in section 234.1,
34 16 who are the beneficiaries of a deceased veteran, so long as
34 17 the surviving spouse remains unmarried. This section is not
34 18 applicable to the holder of title to any homestead whose
34 19 annual income, together with that of the titleholder's spouse,
34 20 if any, for the last preceding twelve-month income tax
34 21 accounting period exceeds thirty-five thousand dollars. For
34 22 the purpose of this section "income" means taxable income for
34 23 federal income tax purposes plus income from securities of
34 24 state and other political subdivisions exempt from federal
34 25 income tax. A veteran or a beneficiary of a veteran who
34 26 elects to secure the ~~credit exemption~~ provided in this section
34 27 is not eligible for any other real property tax exemption
34 28 provided by law for veterans of military service. If a
34 29 veteran acquires a different homestead, the ~~credit exemption~~

34 30 allowed under this section may be claimed on the new homestead
34 31 unless the veteran fails to meet the other requirements of
34 32 this section.

34 33 Sec. 68. Section 425.16, Code 2005, is amended to read as
34 34 follows:

34 35 425.16 ADDITIONAL TAX CREDIT REIMBURSEMENT FOR TAXES DUE
35 1 OR RENT PAID.

35 2 ~~In addition to the homestead tax credit allowed under~~
35 3 ~~section 425.1, subsections 1 to 4, persons~~ Persons who own or
35 4 rent their homesteads and who meet the qualifications provided
35 5 in this division are eligible for ~~an extraordinary~~ a property
35 6 tax ~~credit reimbursement for property taxes due or~~
35 7 ~~reimbursement for rent constituting property taxes paid.~~

35 8 Sec. 69. Section 425.17, subsection 2, paragraph a, Code
35 9 2005, is amended to read as follows:

35 10 a. A person filing a claim for ~~credit or~~ reimbursement
35 11 under this division who has attained the age of sixty-five
35 12 years on or before December 31 of the base year or who is
35 13 totally disabled and was totally disabled on or before
35 14 December 31 of the base year and is domiciled in this state at
35 15 the time the claim is filed or at the time of the person's
35 16 death in the case of a claim filed by the executor or
35 17 administrator of the claimant's estate.

35 18 Sec. 70. Section 425.17, subsection 2, paragraph b,
35 19 unnumbered paragraph 1, Code 2005, is amended to read as
35 20 follows:

35 21 A person filing a claim for ~~credit or~~ reimbursement under
35 22 this division who has attained the age of twenty-three years
35 23 on or before December 31 of the base year or was a head of
35 24 household on December 31 of the base year, as defined in the
35 25 Internal Revenue Code, but has not attained the age or
35 26 disability status described in paragraph "a", and is domiciled
35 27 in this state at the time the claim is filed or at the time of
35 28 the person's death in the case of a claim filed by the
35 29 executor or administrator of the claimant's estate, and was
35 30 not claimed as a dependent on any other person's tax return
35 31 for the base year.

35 32 Sec. 71. Section 425.17, subsection 8, Code 2005, is
35 33 amended to read as follows:

35 34 8. "Property taxes due" means property taxes including any
35 35 special assessments, but exclusive of delinquent interest and
36 1 charges for services, due on a claimant's homestead in this
36 2 state, but includes only property taxes for which the claimant
36 3 is liable and which will actually be paid by the claimant.

36 4 However, if the claimant is a person whose property taxes have
36 5 been suspended under sections 427.8 and 427.9, "property taxes
36 6 due" means property taxes including any special assessments,
36 7 but exclusive of delinquent interest and charges for services,
36 8 due on a claimant's homestead in this state, but includes only
36 9 property taxes for which the claimant is liable and which
36 10 would have to be paid by the claimant if the payment of the
36 11 taxes has not been suspended pursuant to sections 427.8 and
36 12 427.9. "Property taxes due" shall be computed with no
36 13 deduction for any ~~credit reimbursement~~ under this division ~~or~~

36 14 ~~for any homestead credit allowed under section 425.1.~~ Each
36 15 claim shall be based upon the taxes due during the fiscal year
36 16 next following the base year. If a homestead is owned by two
36 17 or more persons as joint tenants or tenants in common, and one
36 18 or more persons are not members of claimant's household,
36 19 "property taxes due" is that part of property taxes due on the
36 20 homestead which equals the ownership percentage of the
36 21 claimant and the claimant's household. The county treasurer
36 22 shall include with the tax receipt a statement that if the
36 23 owner of the property is eighteen years of age or over, the
36 24 person may be eligible for the ~~credit reimbursement for~~
36 25 ~~property taxes due~~ allowed under this division. If a

36 26 homestead is an integral part of a farm, the claimant may use
36 27 the total property taxes due for the larger unit. If a
36 28 homestead is an integral part of a multidwelling or
36 29 multipurpose building the property taxes due for the purpose
36 30 of this subsection shall be prorated to reflect the portion
36 31 which the value of the property that the household occupies as
36 32 its homestead is to the value of the entire structure. For
36 33 purposes of this subsection, "unit" refers to that parcel of
36 34 property covered by a single tax statement of which the
36 35 homestead is a part.

37 1 Sec. 72. Section 425.18, Code 2005, is amended to read as
37 2 follows:

37 3 425.18 RIGHT TO FILE A CLAIM.

37 4 The right to file a claim for reimbursement ~~or credit~~ under
37 5 this division may be exercised by the claimant or on behalf of

37 6 a claimant by the claimant's legal guardian, spouse, or
37 7 attorney, or by the executor or administrator of the
37 8 claimant's estate. If a claimant dies after having filed a
37 9 claim for reimbursement for rent constituting property taxes
37 10 paid, the amount of the reimbursement may be paid to another
37 11 member of the household as determined by the director. If the
37 12 claimant was the only member of the household, the
37 13 reimbursement may be paid to the claimant's executor or
37 14 administrator, but if neither is appointed and qualified
37 15 within one year from the date of the filing of the claim, the
37 16 reimbursement shall escheat to the state. If a claimant dies
37 17 after having filed a claim for ~~credit reimbursement~~ for
37 18 property taxes due, the amount of ~~credit reimbursement~~ shall
37 19 be paid as if the claimant had not died.

37 20 Sec. 73. Section 425.19, Code 2005, is amended to read as
37 21 follows:

37 22 425.19 CLAIM AND ~~CREDIT OR~~ REIMBURSEMENT.

37 23 Subject to the limitations provided in this division, a
37 24 claimant may annually claim a ~~credit reimbursement~~ for
37 25 property taxes due during the fiscal year next following the
37 26 base year or claim a reimbursement for rent constituting
37 27 property taxes paid in the base year. The amount of the
37 28 ~~credit reimbursement~~ for property taxes due for a homestead
37 29 shall be paid on ~~June 15 or before September 1~~ of each year by
37 30 the director to the county treasurer who shall ~~credit the~~
37 31 ~~money received against the amount of the property taxes due~~
37 32 ~~and payable on the homestead of the claimant and the amount of~~
37 33 the reimbursement for rent constituting property taxes paid
37 34 shall be paid to the claimant from the state general fund on
37 35 or before December 31 of each year.

38 1 Sec. 74. Section 425.20, Code 2005, is amended to read as
38 2 follows:

38 3 425.20 FILING DATES == AFFIDAVIT == EXTENSION ==

38 4 ~~CERTIFICATION TO DEPARTMENT.~~

38 5 A claim for reimbursement for rent constituting property
38 6 taxes paid shall not be paid or allowed, unless the claim is
38 7 filed with and in the possession of the department of revenue
38 8 on or before June 1 of the year following the base year.

38 9 A claim for ~~credit reimbursement~~ for property taxes due
38 10 shall not be paid or allowed unless the claim is filed with
38 11 the county treasurer between January 1 and ~~June~~ April 1, both
38 12 dates inclusive, immediately preceding the fiscal year during
38 13 which the property taxes are due. However, in case of
38 14 sickness, absence, or other disability of the claimant, or if
38 15 in the judgment of the county treasurer good cause exists, the
38 16 county treasurer may extend the time for filing a claim for
38 17 ~~credit reimbursement for property taxes due through September~~
38 18 ~~30 July 31 of the same calendar year. The county treasurer~~
38 19 ~~shall certify to the director of revenue on or before May 1 of~~
38 20 ~~each year the total amount of dollars due for claims allowed.~~

38 21 In case of sickness, absence, or other disability of the
38 22 claimant or if, in the judgment of the director of revenue,
38 23 good cause exists and the claimant requests an extension, the
38 24 director may extend the time for filing a claim for
38 25 reimbursement ~~or credit for rent constituting property taxes~~
38 26 ~~paid or reimbursement for property taxes due.~~ However, any
38 27 further time granted shall not extend beyond December 31 of
38 28 the year following the year in which the claim was required to
38 29 be filed. Claims filed as a result of this paragraph shall be
38 30 filed with the director who shall provide for the
38 31 reimbursement of the claim to the claimant.

38 32 ~~On or before June 1, the county treasurer shall forward the~~
38 33 ~~list of approved claims to the county auditor who shall~~
38 34 ~~calculate the taxes due for each claimant. The county auditor~~
38 35 ~~shall certify to the director of revenue on or before July 1~~
39 1 ~~of each year the amount due each claimant for claims allowed.~~

39 2 Sec. 75. Section 425.21, Code 2005, is amended to read as
39 3 follows:

39 4 425.21 SATISFACTION OF OUTSTANDING TAX LIABILITIES.

39 5 The amount of any claim for ~~credit or~~ reimbursement payable
39 6 under this division may be applied by the department of
39 7 revenue against any tax liability, delinquent accounts,
39 8 charges, loans, fees, or other indebtedness due the state or
39 9 state agency that has a formal agreement with the department
39 10 for central debt collection, outstanding on the books of the
39 11 department against the claimant, or against a spouse who was a
39 12 member of the claimant's household in the base year.

39 13 Sec. 76. Section 425.22, Code 2005, is amended to read as
39 14 follows:

39 15 425.22 ONE CLAIMANT PER HOUSEHOLD.

39 16 Only one claimant per household per year shall be entitled

39 17 to reimbursement for rent constituting property taxes paid
39 18 under this division and only one claimant per household per
39 19 fiscal year shall be entitled to a ~~credit~~ reimbursement for
39 20 property taxes due under this division.

39 21 Sec. 77. Section 425.23, unnumbered paragraph 1, Code
39 22 2005, is amended to read as follows:

39 23 The amount of any claim for ~~credit or~~ reimbursement filed
39 24 under this division shall be determined as provided in this
39 25 section.

39 26 Sec. 78. Section 425.23, subsection 1, Code 2005, is
39 27 amended to read as follows:

39 28 1. a. The ~~tentative credit or~~ reimbursement for a
39 29 claimant described in section 425.17, subsection 2, paragraph
39 30 "a" and paragraph "b", if no appropriation is made to the fund
39 31 created in section 425.40 shall be determined in accordance
39 32 with the following schedule:

39 33
39 34
39 35
40 1 If the household
40 2 income is:

		Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:
--	--	---

40 3	\$ 0 == 8,499.99	100%
40 4	8,500 == 9,499.99	85
40 5	9,500 == 10,499.99	70
40 6	10,500 == 12,499.99	50
40 7	12,500 == 14,499.99	35
40 8	14,500 == 16,499.99	25

40 9 b. If moneys have been appropriated to the fund created in
40 10 section 425.40, the ~~tentative credit or~~ reimbursement for a
40 11 claimant described in section 425.17, subsection 2, paragraph
40 12 "b", shall be determined as follows:

40 13 (1) If the amount appropriated under section 425.40 plus
40 14 any supplemental appropriation made for a fiscal year for
40 15 purposes of this lettered paragraph is at least twenty-seven
40 16 million dollars, the ~~tentative credit or~~ reimbursement shall
40 17 be determined in accordance with the following schedule:

40 18
40 19
40 20
40 21 If the household
40 22 income is:

		Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:
--	--	---

40 23	\$ 0 == 8,499.99	100%
40 24	8,500 == 9,499.99	85
40 25	9,500 == 10,499.99	70
40 26	10,500 == 12,499.99	50
40 27	12,500 == 14,499.99	35
40 28	14,500 == 16,499.99	25

40 29 (2) If the amount appropriated under section 425.40 plus
40 30 any supplemental appropriation made for a fiscal year for
40 31 purposes of this lettered paragraph is less than twenty-seven
40 32 million dollars, the ~~tentative credit or~~ reimbursement shall
40 33 be determined in accordance with the following schedule:

40 34
40 35
40 36
40 37 If the household
40 38 income is:

		Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:
--	--	---

40 39	\$ 0 == 8,499.99	50%
40 40	8,500 == 9,499.99	42
40 41	9,500 == 10,499.99	35
40 42	10,500 == 12,499.99	25
40 43	12,500 == 14,499.99	17
40 44	14,500 == 16,499.99	12

40 45 Sec. 79. Section 425.23, subsection 2, Code 2005, is
40 46 amended by striking the subsection.

40 47 Sec. 80. Section 425.23, subsection 3, paragraph a, Code
40 48 2005, is amended to read as follows:

40 49 a. A person who is eligible to file a claim for ~~credit~~
40 50 reimbursement for property taxes due and who has a household
40 51 income of eight thousand five hundred dollars or less and who
40 52 has an unpaid special assessment levied against the homestead
40 53 may file a claim for a special assessment ~~credit reimbursement~~
40 54 with the county treasurer. The department shall provide to
40 55 the respective treasurers the forms necessary for the
40 56 administration of this subsection. The claim shall be filed
40 57 not later than ~~September 30~~ July 31 of each year. Upon the
40 58 filing of the claim, interest for late payment shall not
40 59 accrue against the amount of the unpaid special assessment due
40 60 and payable. The claim filed by the claimant constitutes a
40 61 claim for ~~credit reimbursement~~ of an amount equal to the
40 62 actual amount due upon the unpaid special assessment, plus

41 28 interest, payable during the fiscal year for which the claim
41 29 is filed against the homestead of the claimant. However,
41 30 where the claimant is an individual described in section
41 31 425.17, subsection 2, paragraph "b", and the ~~tentative credit~~
41 32 reimbursement is determined according to the schedule in
41 33 subsection 1, paragraph "b", subparagraph (2), of this
41 34 section, the claim filed constitutes a claim for ~~credit~~
41 35 reimbursement of an amount equal to one-half of the actual
42 1 amount due and payable during the fiscal year. The treasurer
42 2 shall certify to the director of revenue not later than
42 3 ~~October~~ August 15 of each year the total amount of dollars due
42 4 for claims allowed. The amount of reimbursement due each
42 5 ~~county claimant~~ shall be certified by the director of revenue
42 6 and paid by the director of the department of administrative
42 7 services by ~~November~~ September 15 of each year, drawn upon
42 8 warrants payable to the respective ~~treasurer claimant~~. There
42 9 is appropriated annually from the general fund of the state to
42 10 the department of revenue an amount sufficient to carry out
42 11 the provisions of this subsection. ~~The treasurer shall credit~~
~~42 12 any moneys received from the department against the amount of~~
~~42 13 the unpaid special assessment due and payable on the homestead~~
~~42 14 of the claimant.~~

42 15 Sec. 81. Section 425.25, Code 2005, is amended to read as
42 16 follows:

42 17 425.25 ADMINISTRATION.

42 18 The director of revenue shall make available suitable forms
42 19 with instructions for claimants. Each assessor and county
42 20 treasurer shall make available the forms and instructions.
42 21 The claim shall be in a form as the director may prescribe.
42 22 The director may also devise a tax ~~credit or~~ reimbursement
42 23 table, with amounts rounded to the nearest even whole dollar.
42 24 Reimbursements ~~or credits~~ in the amount of less than one
42 25 dollar shall not be paid.

42 26 Sec. 82. Section 425.26, subsection 3, Code 2005, is
42 27 amended by striking the subsection.

42 28 Sec. 83. Section 425.27, Code 2005, is amended to read as
42 29 follows:

42 30 425.27 AUDIT == RECALCULATION OR DENIAL.

42 31 If on the audit of a claim for ~~credit or~~ reimbursement
42 32 under this division, the director determines the amount of the
42 33 claim to have been incorrectly calculated or that the claim is
42 34 not allowable, the director shall recalculate the claim and
42 35 notify the claimant of the recalculation or denial and the
43 1 reasons for it. The director shall not adjust a claim after
43 2 three years from October 31 of the year in which the claim was
43 3 filed. If the claim for reimbursement or rent constituting
43 4 property taxes paid has been paid, the amount may be recovered
43 5 by assessment in the same manner that income taxes are
43 6 assessed under sections 422.26 and 422.30. If the claim for
43 7 credit reimbursement for property taxes due has been paid, the
43 8 director shall give notification to the claimant and the
43 9 county treasurer of the recalculation or denial of the claim
43 10 and the county treasurer shall proceed to collect the tax owed
43 11 in the same manner as other property taxes due and payable are
43 12 collected, if the property on which the credit reimbursement
43 13 was granted is still owned by the claimant, and repay the
43 14 amount to the director upon collection. If the property on
43 15 which the credit reimbursement for property taxes due was
43 16 granted is not owned by the claimant, the amount may be
43 17 recovered from the claimant by assessment in the same manner
43 18 that income taxes are assessed under sections 422.26 and
43 19 422.30. The recalculation of the claim shall be final unless
43 20 appealed as provided in section 425.31. Section 422.70 is
43 21 applicable with respect to this division.

43 22 Sec. 84. Section 425.28, unnumbered paragraph 1, Code
43 23 2005, is amended to read as follows:

43 24 A claimant shall expressly waive any right to
43 25 confidentiality relating to all income tax information
43 26 obtainable through the department of revenue, including all
43 27 information covered by sections 422.20 and 422.72. This
43 28 waiver shall apply to information available to the county
43 29 treasurer who shall hold the information confidential except
43 30 that it may be used as evidence to disallow the ~~credit~~
43 31 reimbursement for property taxes due.

43 32 Sec. 85. Section 425.29, Code 2005, is amended to read as
43 33 follows:

43 34 425.29 FALSE CLAIM == PENALTY.

43 35 A person who makes a false affidavit for the purpose of
44 1 obtaining ~~credit or~~ reimbursement provided for in this
44 2 division or who knowingly receives the ~~credit or~~ reimbursement
44 3 without being legally entitled to it or makes claim for the

44 4 ~~credit or~~ reimbursement in more than one county in the state
44 5 without being legally entitled to it is guilty of a fraudulent
44 6 practice. The claim for ~~credit or~~ reimbursement shall be
44 7 disallowed in full and if the claim has been paid the amount
44 8 shall be recovered in the manner provided in section 425.27.
44 9 The director of revenue shall send a notice of disallowance of
44 10 the claim.

44 11 Sec. 86. Section 425.32, Code 2005, is amended to read as
44 12 follows:

44 13 425.32 DISALLOWANCE OF CERTAIN CLAIMS.

44 14 A claim for ~~credit reimbursement for property taxes due~~
44 15 shall be disallowed if the department finds that the claimant
44 16 or a person of the claimant's household received title to the
44 17 homestead primarily for the purpose of receiving benefits
44 18 under this division.

44 19 Sec. 87. Section 425.39, Code 2005, is amended to read as
44 20 follows:

44 21 425.39 FUND CREATED == APPROPRIATION == PRIORITY.

44 22 1. The elderly and disabled property tax ~~credit and~~
44 23 reimbursement fund is created. There is appropriated annually
44 24 from the general fund of the state to the department of
44 25 revenue to be credited to the elderly and disabled property
44 26 tax ~~credit and~~ reimbursement fund, from funds not otherwise
44 27 appropriated, an amount sufficient to implement this division
44 28 for claimants described in section 425.17, subsection 2,
44 29 paragraph "a".

44 30 2. If the elderly and disabled property tax reimbursement
44 31 fund is insufficient to pay in full the total amounts
44 32 certified to the director of revenue, the director shall
44 33 prorate the fund to the claimants. In the case where
44 34 reimbursement claims are prorated under this section, the
44 35 amount of the claim to which the claimant is entitled is the
45 1 amount prorated and paid to the claimant, and the claimant is
45 2 not entitled to any portion of a claim unpaid due to
45 3 proration.

45 4 Sec. 88. Section 425.40, Code 2005, is amended to read as
45 5 follows:

45 6 425.40 LOW=INCOME FUND CREATED.

45 7 1. A low-income property tax ~~credit and~~ reimbursement fund
45 8 is created.

45 9 2. If the amount appropriated for purposes of this section
45 10 for a fiscal year is insufficient to pay all claims in full,
45 11 the director shall pay, in full, all claims to be paid during
45 12 the fiscal year for reimbursement of rent constituting
45 13 property taxes paid or if moneys are insufficient to pay all
45 14 such claims on a pro rata basis. If the amount of claims for
45 15 ~~credit reimbursement~~ for property taxes due to be paid during
45 16 the fiscal year exceed the amount remaining after payment to
45 17 renters, the director of revenue shall prorate the payments to
45 18 ~~the counties for claimants of the reimbursement for property~~
45 19 ~~tax credit taxes due~~. In order for the director to carry out
45 20 the requirements of this subsection, notwithstanding any
45 21 provision to the contrary in this division, claims for
45 22 reimbursement for rent constituting property taxes paid filed
45 23 before May 1 of the fiscal year shall be eligible to be paid
45 24 in full during the fiscal year and those claims filed on or
45 25 after May 1 of the fiscal year shall be eligible to be paid
45 26 during the following fiscal year and the director is not
45 27 required to make payments to ~~counties for claimants of the~~
45 28 ~~reimbursement for property tax credit taxes due~~ before ~~June 15~~
45 29 ~~September 1~~ of the fiscal year.

45 30 3. In the case where reimbursement claims are prorated
45 31 under this section, the amount of the claim to which the
45 32 claimant is entitled is the amount prorated and paid to the
45 33 claimant, and the claimant is not entitled to any portion of a
45 34 claim unpaid due to proration.

45 35 Sec. 89. Section 425A.1, Code 2005, is amended by striking
46 1 the section and inserting in lieu thereof the following:

46 2 425A.1 FAMILY FARM TAX REIMBURSEMENT FUND.

46 3 The family farm tax reimbursement fund is created in the
46 4 office of the treasurer of state, and for the purpose of
46 5 establishing and maintaining the fund, for each fiscal year
46 6 there is appropriated to the fund from moneys in the general
46 7 fund not otherwise appropriated the sum of thirty-nine million
46 8 one hundred thousand dollars. Any balance in the family farm
46 9 tax reimbursement fund on June 30 shall revert to the general
46 10 fund.

46 11 Sec. 90. Section 425A.3, Code 2005, is amended to read as
46 12 follows:

46 13 425A.3 WHERE ~~CREDIT~~ REIMBURSEMENT GIVEN == COMPUTATION BY
46 14 AUDITOR.

46 15 1. The family farm tax ~~credit reimbursement~~ fund shall be
46 16 apportioned each year in the manner provided in this chapter
46 17 so as to give a ~~credit reimbursement~~ against the ~~tax property~~
46 18 ~~taxes paid~~ on each eligible tract of agricultural land within
46 19 the several school districts of the state in which the levy
46 20 for the general school fund exceeds five dollars and forty
46 21 cents per thousand dollars of assessed value. The amount of
46 22 the ~~credit reimbursement~~ on each eligible tract of
46 23 agricultural land shall be the amount the tax levied for the
46 24 general school fund exceeds the amount of tax which would be
46 25 levied on each eligible tract of agricultural land were the
46 26 levy for the general school fund five dollars and forty cents
46 27 per thousand dollars of assessed value for the previous year.
46 28 ~~However, in the case of a deficiency in the family farm tax~~
46 29 ~~credit fund to pay the credits in full, the credit on each~~
46 30 ~~eligible tract of agricultural land in the state shall be~~
46 31 ~~proportionate and applied as provided in this chapter.~~

46 32 2. An eligible tract of agricultural land qualifies for
46 33 the ~~credit reimbursement~~ computed under subsection 1 if the
46 34 tract is owned by an owner as defined in section 425A.2 and a
46 35 designated person is actively engaged in farming during the
47 1 fiscal year preceding the fiscal year in which the auditor
47 2 computes the amount of the ~~credit reimbursement~~ under section
47 3 425A.5 for which the tract would be eligible. Notwithstanding
47 4 the foregoing sentence, the "actively engaged in farming"
47 5 requirement is satisfied if the designated person is in
47 6 general control of the tract under a federal program
47 7 pertaining to agricultural land.

47 8 3. The county board of supervisors shall determine the
47 9 eligibility of each tract for which an application is
47 10 received.

47 11 Sec. 91. Section 425A.4, Code 2005, is amended to read as
47 12 follows:

47 13 425A.4 CLAIM FOR ~~CREDIT REIMBURSEMENT~~ == APPEALS
47 14 ~~PERMITTED.~~

47 15 1. To apply for the ~~credit reimbursement~~, the person shall
47 16 deliver to the county assessor a verified statement and
47 17 designation of the tracts of agricultural land for which the
47 18 ~~credit reimbursement~~ is claimed. The assessor shall return
47 19 the statement and designation on or before November 15 of each
47 20 year to the county board of supervisors with a recommendation
47 21 for allowance or disallowance. A claim for ~~credit~~
47 22 ~~reimbursement~~ filed after November 1 of the year shall be
47 23 considered as a claim filed for the following year.

47 24 2. The county board of supervisors in each county shall
47 25 examine all claims delivered to county assessors, and shall
47 26 either allow or disallow the claims, and if disallowed shall
47 27 send notice of disallowance by regular mail to the claimant at
47 28 the claimant's last known address. The claimant may appeal
47 29 the decision of the board to the ~~district court in which the~~
47 30 ~~tract for which the credit is claimed is situated state board~~
47 31 ~~of tax review~~ by giving written notice of the appeal to the
47 32 ~~county board of supervisors director of revenue~~ within twenty
47 33 days from the date of the mailing of the notice of the
47 34 decision of the board of supervisors.

47 35 3. Upon the filing and allowance of the claim, the claim
48 1 shall be allowed on that tract for successive years without
48 2 further filing as long as the property is legally or equitably
48 3 owned by that person or that person's spouse on July 1 of each
48 4 of those successive years, and the designated person who is
48 5 actively engaged in farming remains the same during these
48 6 years. When the property is sold or transferred, the buyer or
48 7 transferee who wishes to qualify shall file for the ~~credit~~
48 8 ~~reimbursement~~. However, when the property is transferred as
48 9 part of a distribution made pursuant to chapter 598, the
48 10 transferee who is the spouse retaining ownership of the
48 11 property is not required to file for the ~~credit reimbursement~~.
48 12 In the case where the owner remains the same but the person
48 13 who is actively engaged in farming changes, the owner shall
48 14 refile for the ~~credit reimbursement~~. The owner shall provide
48 15 written notice if the person actively engaged in farming
48 16 changes.

48 17 4. The assessor shall retain a permanent file of current
48 18 family farm ~~credit tax reimbursement~~ claims filed in the
48 19 assessor's office.

48 20 The county recorder shall give notice to the assessor of
48 21 each transfer of title filed in the recorder's office. The
48 22 notice shall describe the tract of agricultural land
48 23 transferred, the name of the person transferring the title to
48 24 the tract, and the name of the person to whom title to the
48 25 tract has been transferred.

48 26 Sec. 92. Section 425A.5, Code 2005, is amended to read as
48 27 follows:

48 28 425A.5 COMPUTATION BY COUNTY AUDITOR.

48 29 The family farm tax ~~credit reimbursement~~ allowed each year
48 30 shall be computed as follows: On or before April 1, the
48 31 county auditor shall list by school districts all tracts of
48 32 agricultural land which are entitled to ~~credit reimbursement~~,
48 33 the taxable value for the previous year, the budget from each
48 34 school district for the previous year, and the tax rate
48 35 determined for the general fund of the school district in the
49 1 manner prescribed in section 444.3 for the previous year, and
49 2 if the tax rate is in excess of five dollars and forty cents
49 3 per thousand dollars of assessed value, the auditor shall
49 4 multiply the tax levy which is in excess of five dollars and
49 5 forty cents per thousand dollars of assessed value by the
49 6 total taxable value of the agricultural land entitled to
49 7 ~~credit reimbursement~~ in the school district, and on or before
49 8 ~~April~~ June 1, certify the ~~total~~ amount of ~~credit reimbursement~~
49 9 ~~owed each claimant~~ and the ~~total~~ number of acres ~~per claim~~
49 10 entitled to the ~~credit reimbursement~~ to the department of
49 11 revenue.

49 12 Sec. 93. Section 425A.6, Code 2005, is amended to read as
49 13 follows:

49 14 425A.6 WARRANTS AUTHORIZED BY DIRECTOR == PRORATION.

49 15 After receiving from the county auditors the certifications
49 16 provided for in section 425A.5, and during the following
49 17 fiscal year, the director of revenue shall authorize the
49 18 department of administrative services to draw warrants on the
49 19 family farm tax ~~credit reimbursement~~ fund created in section
49 20 425A.1, payable to ~~the county treasurers~~ each claimant in the
49 21 amount certified by the county auditors of the respective
49 22 counties and mail the warrants to the ~~county auditors~~
49 23 ~~claimants~~ on ~~June or before September~~ 1 of each year taking
49 24 into consideration the relative budget and cash position of
49 25 the state resources. However, if the family farm tax ~~credit~~
49 26 ~~reimbursement~~ fund is insufficient to pay in full the total of
49 27 the amounts certified to the director of revenue, the director
49 28 shall prorate the fund to the ~~county treasurers~~ and shall
49 29 ~~notify the county auditors of the pro rata percentage on or~~
49 30 ~~before June 1 claimants.~~ In the case where reimbursement
49 31 claims are prorated under this section, the amount of the
49 32 claim to which the claimant is entitled is the amount prorated
49 33 and paid to the claimant, and the claimant is not entitled to
49 34 any portion of a claim unpaid due to proration.

49 35 Sec. 94. Section 425A.8, Code 2005, is amended to read as
50 1 follows:

50 2 425A.8 DISALLOWED CLAIM == FALSE CLAIM == PENALTY.

50 3 1. If the director of revenue determines that a claim for
50 4 reimbursement has been allowed by the board of supervisors
50 5 which is not justifiable under the law and not substantiated
50 6 by proper facts, the director may, at any time within thirty=
50 7 six months from July 1 of the year in which the claim is
50 8 allowed, set aside the allowance. Notice of the disallowance
50 9 shall be given to the county auditor and county assessor of
50 10 the county in which the claim has been improperly granted and
50 11 a written notice of the disallowance shall also be addressed
50 12 to the claimant at the claimant's last known address. The
50 13 claimant or board of supervisors may appeal to the state board
50 14 of tax review pursuant to section 421.1, subsection 4. The
50 15 claimant or the board of supervisors may seek judicial review
50 16 of the action of the state board of tax review in accordance
50 17 with chapter 17A.

50 18 If a claim is disallowed by the director of revenue and not
50 19 appealed to the state board of tax review or appealed to the
50 20 state board of tax review and thereafter upheld upon final
50 21 resolution, including any judicial review, any amounts of
50 22 reimbursement paid from the family farm tax reimbursement fund
50 23 including the penalty, if any, become a lien upon the property
50 24 on which reimbursement was originally granted, if still in the
50 25 hands of the claimant, and not in the hands of a bona fide
50 26 purchaser, and any amount so erroneously paid including the
50 27 penalty, if any, shall be collected by the county treasurer in
50 28 the same manner as other taxes and the collections shall be
50 29 returned to the department of revenue and credited to the
50 30 family farm tax reimbursement fund. The director of revenue
50 31 may institute legal proceedings against a family farm tax
50 32 reimbursement claimant for the collection of payments made on
50 33 disallowed reimbursements and the penalty, if any.

50 34 2. A person making a false claim or affidavit with
50 35 fraudulent intent to obtain the ~~credit reimbursement~~ under
51 1 section 425A.3, is guilty of a fraudulent practice and the

51 2 claim shall be disallowed in full. If the ~~credit~~
51 3 ~~reimbursement~~ has been paid, the amount of the ~~credit~~
51 4 ~~reimbursement~~ plus a penalty equal to twenty-five percent of
51 5 the amount of ~~credit reimbursement~~ plus interest, at the rate
51 6 in effect under section 421.7, from the time of payment shall
51 7 be collected by the ~~county treasurer in the same manner as~~
51 8 ~~other property taxes, penalty, and interest are collected and~~
51 9 ~~when collected shall be paid to the director of revenue.~~
51 10 3. A person who fails to notify the assessor of a change
51 11 in the person who is actively engaged in farming the tract for
51 12 which the ~~credit reimbursement~~ under section 425A.3 is allowed
51 13 shall be liable for the amount of the ~~credit reimbursement~~
51 14 plus a penalty equal to five percent of the amount of the
51 15 ~~credit reimbursement~~. The amounts shall be collected by the
51 16 ~~county treasurer in the same manner as other property taxes~~
51 17 ~~and any penalty are collected and when collected shall be paid~~
51 18 ~~to the director of revenue.~~
51 19 Sec. 95. Section 427.1, unnumbered paragraph 1, Code 2005,
51 20 is amended to read as follows:
51 21 The Except as otherwise provided in section 427.1A, the
51 22 following classes of property shall not be taxed:
51 23 Sec. 96. Section 427.1, subsection 9, Code 2005, is
51 24 amended to read as follows:
51 25 9. PROPERTY OF EDUCATIONAL INSTITUTIONS. Real estate
51 26 owned by any educational institution of this state as a part
51 27 of its endowment fund, to the extent of one hundred sixty
51 28 acres in any civil township except any real property acquired
51 29 after January 1, 1965, by any educational institution as a
51 30 part of its endowment fund or upon which any income is derived
51 31 or used, directly or indirectly, for full or partial payment
51 32 for services rendered, shall be taxed beginning with the
51 33 levies applied for taxes payable in the year 1967, at the same
51 34 rate as all other property of the same class in the taxing
51 35 district in which the real property is located. The property
52 1 acquired prior to January 1, 1965, and held or owned as part
52 2 of the endowment fund of an educational institution shall be
52 3 subject to assessment and levy in the assessment year 1974 for
52 4 taxes payable in 1975. All the property shall be listed on
52 5 the assessment rolls in the district in which the property is
52 6 located and an actual fair market value and an assessed or
52 7 taxable value be ascribed to it, as contemplated by section
52 8 441.21, irrespective of whether an exemption under this
52 9 subsection may be or is affirmed, and the information shall be
52 10 open to public inspection; it being the intent of this section
52 11 that the property be valued whether or not it be subject to a
52 12 levy. Every educational institution claiming an exemption
52 13 under this subsection shall file with the assessor not later
52 14 than ~~February 1~~ the date specified in section 427.20 of the
52 15 year for which the exemption is requested, a statement upon
52 16 forms to be prescribed by the director of revenue, describing
52 17 and locating the property upon which exemption is claimed.
52 18 Property which is located on the campus grounds and used for
52 19 student union purposes may serve food and beverages without
52 20 affecting its exemption received pursuant to subsection 8 or
52 21 this subsection.
52 22 Sec. 97. Section 427.1, subsection 14, unnumbered
52 23 paragraph 1, Code 2005, is amended to read as follows:
52 24 A society or organization claiming an exemption under
52 25 subsection 5, 8, or 33 shall file with the assessor ~~not later~~
52 26 ~~than February 1~~ a statement upon forms to be prescribed by the
52 27 director of revenue, describing the nature of the property
52 28 upon which the exemption is claimed and setting out in detail
52 29 any uses and income from the property derived from the
52 30 rentals, leases, or other uses of the property not solely for
52 31 the appropriate objects of the society or organization. For
52 32 an exemption claimed under subsection 5 or 33, the statement
52 33 shall be filed not later than the date specified in section
52 34 427.20. For an exemption claimed under subsection 8, the
52 35 statement shall be filed not later than July 1. Upon the
53 1 filing and allowance of the claim, the claim shall be allowed
53 2 on the property for successive years without further filing as
53 3 long as the property is used for the purposes specified in the
53 4 original claim for exemption. When the property is sold or
53 5 transferred, the county recorder shall provide notice of the
53 6 transfer to the assessor. The notice shall describe the
53 7 property transferred and the name of the person to whom title
53 8 to the property is transferred.
53 9 Sec. 98. Section 427.1, subsection 19, unnumbered
53 10 paragraph 4, Code 2005, is amended to read as follows:
53 11 Application for this exemption shall be filed with the
53 12 assessing authority not later than ~~the first of February the~~

53 13 date specified in section 427.20 of the first year for which
53 14 the exemption is requested, on forms provided by the
53 15 department of revenue. The application shall describe and
53 16 locate the specific pollution=control or recycling property to
53 17 be exempted.

53 18 Sec. 99. Section 427.1, subsection 20, unnumbered
53 19 paragraph 1, Code 2005, is amended to read as follows:

53 20 The impoundment structure and any land underlying an
53 21 impoundment located outside an incorporated city, which are
53 22 not developed or used directly or indirectly for
53 23 nonagricultural income=producing purposes and which are
53 24 maintained in a condition satisfactory to the soil and water
53 25 conservation district commissioners of the county in which the
53 26 impoundment structure and the impoundment are located. A
53 27 person owning land which qualifies for a property tax
53 28 exemption under this subsection shall apply to the county
53 29 assessor each year not later than ~~February 1~~ the date
53 30 specified in section 427.20 for the exemption. The

53 31 application shall be made on forms prescribed by the
53 32 department of revenue. The first application shall be
53 33 accompanied by a copy of the water storage permit approved by
53 34 the director of the department of natural resources or the
53 35 director's designee, and a copy of the plan for the
54 1 construction of the impoundment structure and the impoundment.
54 2 The construction plan shall be used to determine the total
54 3 acre=feet of the impoundment and the amount of land which is
54 4 eligible for the property tax exemption. The county assessor
54 5 shall annually review each application for the property tax
54 6 exemption under this subsection and submit it, with the
54 7 recommendation of the soil and water conservation district
54 8 commissioners, to the board of supervisors for approval or
54 9 denial. An applicant for a property tax exemption under this
54 10 subsection may appeal the decision of the board of supervisors
54 11 to the district court.

54 12 Sec. 100. Section 427.1, subsection 22, unnumbered
54 13 paragraph 2, Code 2005, is amended to read as follows:

54 14 Application for this exemption shall be filed with the
54 15 commissioners of the soil and water conservation district in
54 16 which the property is located, not later than ~~February 1~~ the
54 17 date specified in section 427.20 of the assessment year, on
54 18 forms provided by the department of revenue. The application
54 19 shall describe and locate the property to be exempted and have
54 20 attached to it an aerial photo of that property on which is
54 21 outlined the boundaries of the property to be exempted. In
54 22 the case of an open prairie that has been restored or
54 23 reestablished, the property shall be inspected and certified
54 24 as provided by the county board of supervisors as having
54 25 adequate ground cover consisting of native species and that
54 26 all primary and secondary noxious weeds present are being
54 27 controlled to prevent the spread of seeds by either wind or
54 28 water. In the case of an open prairie which is or includes a
54 29 gully area susceptible to severe erosion, an approved erosion
54 30 control plan must accompany the application. Upon receipt of
54 31 the application, the commissioners shall certify whether the
54 32 property is eligible to receive the exemption. The
54 33 commissioners shall not withhold certification of the
54 34 eligibility of property because of the existence upon the
54 35 property of an abandoned building or structure which is not
55 1 used for economic gain. If the commissioners certify that the
55 2 property is eligible, the application shall be forwarded to
55 3 the board of supervisors by May 1 of that assessment year with
55 4 the certification of the eligible acreage. An application
55 5 must be accompanied by an affidavit signed by the applicant
55 6 that if an exemption is granted, the property will not be used
55 7 for economic gain during the assessment year in which the
55 8 exemption is granted.

55 9 Sec. 101. Section 427.1, subsection 23, unnumbered
55 10 paragraph 1, Code 2005, is amended to read as follows:

55 11 Land designated as native prairie or land designated as a
55 12 protected wetland by the department of natural resources
55 13 pursuant to section 456B.12. Application for the exemption
55 14 shall be made on forms provided by the department of revenue.
55 15 Land designated as a protected wetland shall be assessed at a
55 16 value equal to the average value of the land where the wetland
55 17 is located and which is owned by the person granted the
55 18 exemption. The application forms shall be filed with the
55 19 assessing authority not later than ~~the first of February~~ the
55 20 date specified in section 427.20 of the year for which the
55 21 exemption is requested. The application must be accompanied
55 22 by an affidavit signed by the applicant that if the exemption
55 23 is granted, the property will not be used for economic gain

55 24 during the assessment year in which the exemption is granted.
55 25 If the property is used for economic gain during the
55 26 assessment year in which the exemption is granted, the
55 27 property shall lose its tax exemption and shall be taxed at
55 28 the rate levied by the county for the fiscal year beginning in
55 29 that assessment year. The first annual application shall be
55 30 accompanied by a certificate from the department of natural
55 31 resources stating that the land is native prairie or protected
55 32 wetland. The department of natural resources shall issue a
55 33 certificate for the native prairie exemption if the department
55 34 finds that the land has never been cultivated, is unimproved,
55 35 is primarily a mixture of warm season grasses interspersed
56 1 with flowering plants, and meets the other criteria
56 2 established by the natural resource commission for native
56 3 prairie. The department of natural resources shall issue a
56 4 certificate for the wetland exemption if the department finds
56 5 the land is a protected wetland, as defined under section
56 6 456B.1, or if the wetland was previously drained and cropped
56 7 but has been restored under a nonpermanent restoration
56 8 agreement with the department or other county, state, or
56 9 federal agency or private conservation group. A taxpayer may
56 10 seek judicial review of a decision of the department according
56 11 to chapter 17A. The natural resource commission shall adopt
56 12 rules to implement this subsection.

56 13 Sec. 102. Section 427.1, subsection 24, unnumbered
56 14 paragraph 1, Code 2005, is amended to read as follows:

56 15 The owner of agricultural land may designate not more than
56 16 two acres of the land for use as a wildlife habitat. After
56 17 inspection, if the land meets the standards established by the
56 18 natural resource commission for a wildlife habitat under
56 19 section 483A.3, and, in the case of a wildlife habitat that
56 20 has been restored or reestablished, is inspected and certified
56 21 as provided by the county board of supervisors as having
56 22 adequate ground cover consisting of native species and that
56 23 all primary and secondary noxious weeds present are being
56 24 controlled to prevent the spread of seeds by either wind or
56 25 water, the department of natural resources shall certify the
56 26 designated land as a wildlife habitat and shall send a copy of
56 27 the certification to the appropriate assessor not later than
56 28 ~~February 1 the date specified in section 427.20~~ of the
56 29 assessment year for which the exemption is requested. The
56 30 department of natural resources may subsequently withdraw
56 31 certification of the designated land if it fails to meet the
56 32 established standards for a wildlife habitat and the ground
56 33 cover requirement and the assessor shall be given written
56 34 notice of the decertification.

56 35 Sec. 103. Section 427.1, subsection 29, unnumbered
57 1 paragraph 4, Code 2005, is amended to read as follows:

57 2 Application for this exemption shall be filed with the
57 3 assessing authority not later than ~~February 1 the date~~
57 4 ~~specified in section 427.20~~ of each year for which the
57 5 exemption is requested on forms provided by the department of
57 6 revenue. The application shall describe and locate the
57 7 specific methane gas conversion property to be exempted. If
57 8 the property consuming methane gas also consumes another fuel,
57 9 the first year application shall contain a statement to that
57 10 effect and shall identify the other fuel and estimate the
57 11 ratio that the methane gas consumed bears to the total fuel
57 12 consumed. Subsequent year applications shall identify the
57 13 actual ratio for the previous year which ratio shall be used
57 14 to calculate the exemption for that assessment year.

57 15 Sec. 104. Section 427.1, subsection 30, Code 2005, is
57 16 amended to read as follows:

57 17 30. MANUFACTURED HOME COMMUNITY OR MOBILE HOME PARK STORM
57 18 SHELTER. A structure constructed as a storm shelter at a
57 19 manufactured home community or mobile home park as defined in
57 20 section 435.1. An application for this exemption shall be
57 21 filed with the assessing authority not later than ~~February 1~~
57 22 ~~the date specified in section 427.20~~ of the first year for
57 23 which the exemption is requested, on forms provided by the
57 24 department of revenue. The application shall describe and
57 25 locate the storm shelter to be exempted. If the storm shelter
57 26 structure is used exclusively as a storm shelter, all of the
57 27 structure's assessed value shall be exempt from taxation. If
57 28 the storm shelter structure is not used exclusively as a storm
57 29 shelter, the storm shelter structure shall be assessed for
57 30 taxation at seventy-five percent of its value as commercial
57 31 property.

57 32 Sec. 105. Section 427.1, subsection 31, unnumbered
57 33 paragraph 3, Code 2005, is amended to read as follows:

57 34 Application for this exemption shall be filed with the

57 35 assessing authority not later than ~~February 1~~ the date
58 1 specified in section 427.20 of the first year for which the
58 2 exemption is requested, on forms provided by the department of
58 3 revenue. The application shall describe and locate the
58 4 specific structure for which the added value is requested to
58 5 be exempt.
58 6 Sec. 106. Section 427.1, subsection 32, unnumbered
58 7 paragraph 2, Code 2005, is amended to read as follows:
58 8 Application for this exemption shall be filed with the
58 9 assessing authority not later than ~~February 1~~ the date
58 10 specified in section 427.20 of the first year for which the
58 11 exemption is requested, on forms provided by the department of
58 12 revenue. The application shall describe and locate the
58 13 specific one-room schoolhouse for which the added value is
58 14 requested to be exempt.
58 15 Sec. 107. NEW SECTION. 427.1A AUTHORITY FOR COUNTIES AND
58 16 CITIES TO EXEMPT LAND FROM TAXATION == FEES.
58 17 1. For the purposes of county and city property tax
58 18 levies, for the classes of property described in section
58 19 427.1, subsections 3 through 11, 17, and 19 through 33, the
58 20 assessed value of improvements to the property shall be exempt
58 21 from taxation. The assessed value of the land for such
58 22 classes of property shall be subject to taxation unless a city
58 23 or county provides by ordinance that such land for all classes
58 24 of property specified in this section is exempt from taxation.
58 25 An ordinance adopted pursuant to this section shall go into
58 26 effect on January 1 of the assessment year following adoption
58 27 and shall apply to the fiscal year beginning July 1 of the
58 28 calendar year following such assessment year.
58 29 2. An ordinance allowing a full exemption from property
58 30 taxation for the classes of property described in this section
58 31 may be adopted at any time. An ordinance adopted pursuant to
58 32 this section shall state its duration not to exceed four
58 33 years. An ordinance adopted pursuant to this section shall
58 34 not be repealed before the durational time limit specified in
58 35 the ordinance has run.
59 1 3. An ordinance adopted under this section may include
59 2 imposition of a fee against those classes of property referred
59 3 to in subsection 1 and fully exempt from taxation pursuant to
59 4 the ordinance. The fee shall be imposed for costs reasonably
59 5 related to providing police protection, fire protection,
59 6 street and road maintenance, and waste collection to such
59 7 classes of property. However, the amount of the fee imposed
59 8 for a fiscal year against an owner shall not exceed the amount
59 9 of property taxes that would be due in that fiscal year if the
59 10 land were subject to taxation.
59 11 Sec. 108. Section 427.16, subsection 2, Code 2005, is
59 12 amended to read as follows:
59 13 2. Application for the exemption shall be filed with the
59 14 assessor, not later than ~~February 1~~ the date specified in
59 15 section 427.20 of the assessment year, on forms provided by
59 16 the department of revenue. The exemption application shall
59 17 include an approved application for certified substantial
59 18 rehabilitation from the state historic preservation officer
59 19 and documentation of additional property tax relief or
59 20 financial assistance currently allowed for the real property.
59 21 Upon receipt of the application, the assessor shall certify
59 22 whether or not the property is eligible to receive the
59 23 exemption and shall forward the application to the board.
59 24 Sec. 109. NEW SECTION. 427.20 CLAIMS FOR EXEMPTION ==
59 25 FILING DEADLINE.
59 26 Unless otherwise specifically provided, a claim for
59 27 exemption under this or any other chapter shall be filed with
59 28 the assessor no later than April 1 of the assessment year.
59 29 Sec. 110. NEW SECTION. 427.21 REPEAL OF CERTAIN
59 30 EXEMPTIONS.
59 31 1. Section 427.1, subsections 3 through 11, 17, and 19
59 32 through 33, are repealed effective December 31, 2009.
59 33 2. Any exemptions of property from taxation enacted after
59 34 January 1, 2009, shall be repealed effective four years from
59 35 the date of enactment.
60 1 Sec. 111. Section 427C.1, Code 2005, is amended to read as
60 2 follows:
60 3 427C.1 TAX EXEMPTION.
60 4 Any person who establishes a forest or fruit=tree
60 5 reservation as provided in this chapter shall be entitled to
60 6 the tax exemption provided by ~~law~~ this chapter.
60 7 The amount of the exemption provided in this chapter shall
60 8 be one thousand dollars per acre prior to application of the
60 9 exemption provided in chapter 425, if applicable. For real
60 10 property with an assessed value of one thousand dollars or

60 11 less, the exemption shall be an amount necessary to reduce the
60 12 assessed value to zero.

60 13 Sec. 112. Section 427C.3, Code 2005, is amended to read as
60 14 follows:

60 15 427C.3 FOREST RESERVATION.

60 16 A forest reservation shall contain not less than two
60 17 hundred growing forest trees on each acre. If the area
60 18 selected is a forest containing the required number of growing
60 19 forest trees, it shall be accepted as a forest reservation
60 20 under this chapter provided application is made or on file on
60 21 or before ~~February 1~~ the date specified in section 427.20 of
60 22 the exemption year. If any buildings are standing on an area
60 23 selected as a forest reservation under this section or a
60 24 fruit-tree reservation under section 427C.7, one acre of that
60 25 area shall be excluded from the tax exemption. However, the
60 26 exclusion of that acre shall not affect the area's meeting the
60 27 acreage requirement of section 427C.2.

60 28 Sec. 113. Section 427C.7, Code 2005, is amended to read as
60 29 follows:

60 30 427C.7 FRUIT-TREE RESERVATION == DURATION OF EXEMPTION.

60 31 A fruit-tree reservation shall contain on each acre, at
60 32 least forty apple trees, or seventy other fruit trees, growing
60 33 under proper care and annually pruned and sprayed. A
60 34 reservation may be claimed as a fruit-tree reservation, under
60 35 this chapter, for a period of eight years after planting
61 1 provided application is made or on file on or before ~~February~~
61 2 ~~1~~ the date specified in section 427.20 of the exemption year.

61 3 Sec. 114. Section 435.26, subsection 1, paragraph a, Code
61 4 2005, is amended to read as follows:

61 5 a. A mobile home or manufactured home which is located
61 6 outside a manufactured home community or mobile home park
61 7 shall be converted to real estate by being placed on a
61 8 permanent foundation and shall be assessed for real estate
61 9 taxes. A home, after conversion to real estate, is eligible
61 10 for the homestead ~~tax credit and the military service tax~~
61 11 exemption as provided in ~~sections~~ section 425.2 and 426A.11.

61 12 Sec. 115. Section 441.22, Code 2005, is amended to read as
61 13 follows:

61 14 441.22 FOREST AND FRUIT-TREE RESERVATIONS.

61 15 Forest and fruit-tree reservations fulfilling the
61 16 conditions of sections 427C.1 to 427C.13 shall be exempt from
61 17 taxation to the extent allowed in section 427C.1. In all
61 18 other cases where trees are planted upon any tract of land,
61 19 without regard to area, for forest, fruit, shade, or
61 20 ornamental purposes, or for windbreaks, the assessor shall not
61 21 increase the valuation of the property because of such
61 22 improvements.

61 23 Sec. 116. Section 441.73, subsection 4, Code 2005, is
61 24 amended to read as follows:

61 25 4. The executive council shall transfer for ~~the fiscal~~
61 26 ~~year beginning July 1, 1992, and each fiscal year thereafter,~~
61 27 ~~from funds the fund established in sections 425.1 and 426.1~~
61 28 ~~section 425A.1, an amount necessary to pay litigation~~
61 29 ~~expenses. The amount of the fund for transferred and~~
61 30 ~~deposited into the litigation expense fund each fiscal year~~
61 31 shall not exceed seven hundred thousand dollars. The
61 32 executive council shall determine annually the ~~proportionate~~
61 33 ~~amounts amount~~ to be transferred from the ~~two separate funds~~
61 34 ~~fund established in section 425A.1.~~ At any time when ~~no~~
61 35 litigation is ~~not~~ pending or in progress the balance in the
62 1 litigation expense fund shall not exceed one hundred thousand
62 2 dollars. Any excess moneys shall be transferred ~~in a~~
62 3 ~~proportionate amount back to the funds from which they were~~
62 4 ~~originally transferred fund established in section 425A.1.~~

62 5 Sec. 117. Section 443.2, unnumbered paragraph 2, Code
62 6 2005, is amended to read as follows:

62 7 The county auditor shall list the aggregate actual value
62 8 and the aggregate taxable value of all taxable property within
62 9 the county and each political subdivision including property
62 10 subject to the statewide property tax imposed under section
62 11 437A.18 on the tax list in order that the actual value of the
62 12 taxable property within the county or a political subdivision
62 13 may be ascertained and shown by the tax list for the purpose
62 14 of computing the debt-incurring capacity of the county or
62 15 political subdivision. As used in this section, "actual
62 16 value" is the value determined under section 441.21,
62 17 subsections 1 to 3, prior to the reduction to a percentage of
62 18 actual value as otherwise provided in section ~~441.21~~ 425.1.
62 19 "Actual value" of property subject to statewide property tax
62 20 is the assessed value under section 437A.18.

62 21 Sec. 118. Section 499A.14, Code 2005, is amended to read

62 22 as follows:

62 23 499A.14 TAXATION.

62 24 The real estate shall be taxed in the name of the
62 25 cooperative, and each member of the cooperative shall pay that
62 26 member's proportionate share of the tax in accordance with the
62 27 proration formula set forth in the bylaws, and each member
62 28 occupying an apartment as a residence shall receive that
62 29 member's proportionate homestead tax ~~credit and each veteran~~
~~62 30 of the military services of the United States identified as~~
~~62 31 such under the laws of the state of Iowa or the United States~~
~~62 32 shall receive as a credit that member's veterans tax benefit~~
~~62 33 as prescribed by the laws of the state of Iowa exemption under~~
62 34 chapter 425.

62 35 Sec. 119. Chapters 426 and 426A, Code 2005, are repealed.

63 1 Sec. 120. Sections 425.4 and 425A.7, Code 2005, are
63 2 repealed.

63 3 Sec. 121. APPLICABILITY DATE. Except as otherwise
63 4 provided in this division, this division of this Act applies
63 5 to assessment years beginning on or after January 1, 2006.

63 6 DIVISION III
63 7 BUDGETING AND TAXATION

63 8 Sec. 122. Section 25B.2, subsection 3, Code 2005, is
63 9 amended by striking the subsection.

63 10 Sec. 123. NEW SECTION. 25B.3A UNFUNDED STATE MANDATES ==
63 11 EFFECT.

63 12 If, on or after July 1, 2005, a state mandate is enacted by
63 13 the general assembly, or otherwise imposed, on a political
63 14 subdivision and the state mandate requires a political
63 15 subdivision to engage in any new activity, to provide a new
63 16 service, or to provide any service beyond that required by any
63 17 law enacted prior to July 1, 2005, and the state does not
63 18 appropriate moneys to fully fund the cost of the state mandate
63 19 as those costs are identified pursuant to section 25B.5, the
63 20 political subdivision is not required to perform the activity
63 21 or provide the service and the political subdivision shall not
63 22 be subject to the imposition of any fines or penalties for the
63 23 failure to comply with the state mandate.

63 24 For the purposes of this subsection, "political
63 25 subdivision" includes community colleges and area education
63 26 agencies.

63 27 Sec. 124. NEW SECTION. 25B.8 STATE APPROPRIATIONS TO
63 28 COUNTIES AND CITIES.

63 29 For appropriations made for fiscal years beginning on or
63 30 after July 1, 2005, in order for the general assembly to
63 31 reduce for the fiscal year beginning the following July 1 any
63 32 standing appropriation to counties or cities, or for
63 33 distribution to counties or cities, the bill which reduces
63 34 that appropriation shall be enacted on or before March 1
63 35 preceding the fiscal year for which the appropriation is made.

64 1 Sec. 125. Section 331.429, subsection 1, paragraphs a and
64 2 b, Code 2005, are amended to read as follows:

64 3 a. Transfers from the general fund not to exceed in any
64 4 year the dollar equivalent of a tax of sixteen and seven=
64 5 eighths cents per thousand dollars of assessed value on all
64 6 taxable property in the county multiplied by the ratio of
64 7 current taxes actually collected and apportioned for the
64 8 general basic levy to the total general basic levy for the
64 9 current year, and an amount equivalent to the moneys derived
64 10 by the general fund from ~~military service tax credits under~~
~~64 11 chapter 426A, manufactured or mobile home taxes occupied lot~~
~~64 12 surcharges~~ under section 435.22, and delinquent taxes for
64 13 prior years collected and apportioned to the general basic
64 14 fund in the current year, multiplied by the ratio of sixteen
64 15 and seven=eighths cents to three dollars and fifty cents.

64 16 b. Transfers from the rural services fund not to exceed in
64 17 any year the dollar equivalent of a tax of three dollars and
64 18 three=eighths cents per thousand dollars of assessed value on
64 19 all taxable property not located within the corporate limits
64 20 of a city in the county multiplied by the ratio of current
64 21 taxes actually collected and apportioned for the rural
64 22 services basic levy to the total rural services basic levy for
64 23 the current year and an amount equivalent to the moneys
64 24 derived by the rural services fund ~~from military service tax~~
~~64 25 credits under chapter 426A, manufactured or mobile home taxes~~
~~64 26 occupied lot surcharges~~ under section 435.22, and delinquent
64 27 taxes for prior years collected and apportioned to the rural
64 28 services basic fund in the current year, multiplied by the
64 29 ratio of three dollars and three=eighths cents to three
64 30 dollars and ninety=five cents.

64 31 Sec. 126. Section 331.434, Code 2005, is amended by adding
64 32 the following new subsection:

64 33 NEW SUBSECTION. 1A. The budget shall also show all of the
64 34 following:

64 35 a. The change in property valuations from the preceding
65 1 year.

65 2 b. A comparison of the proposed change in revenues and the
65 3 amount to be raised from property taxation from the preceding
65 4 two years.

65 5 c. The proposed change in property tax rates from the
65 6 preceding year.

65 7 d. The amount the property tax rate would be if the amount
65 8 to be raised from property taxes in the budget year was equal
65 9 to the amount raised from property taxes the preceding year.

65 10 e. A description of all major changes in revenue and
65 11 expenditures for the proposed budget.

65 12 f. A comparison of the actual taxes levied in the
65 13 preceding year and the amount of taxes to be levied in the
65 14 proposed budget on one representative property from each of
65 15 the classes of agricultural property, commercial property,
65 16 industrial property, and residential property.

65 17 The information to be provided by paragraphs "a" through
65 18 "c", "e", and "f", shall be presented as increases or
65 19 decreases in dollar amounts and percentages. The information
65 20 required in this subsection shall be presented in the detail
65 21 and form prescribed by the director of the department of
65 22 management.

65 23 Sec. 127. Section 331.434, subsections 3 and 6, Code 2005,
65 24 are amended to read as follows:

65 25 3. The board shall set a time and place for a public
65 26 hearing on the budget before the final certification date and
65 27 shall publish notice of the hearing not less than ~~ten~~ four nor
65 28 more than twenty days prior to the hearing in the county
65 29 newspapers selected under chapter 349. A summary of the
65 30 proposed budget, in the form prescribed by the director of the
65 31 department of management, shall be included in the notice.

65 32 The notice shall also include the information required in
65 33 subsection 1A. Proof of publication shall be filed with and

65 34 preserved by the auditor. A levy is not valid unless and
65 35 until the notice is published and filed. The department of
66 1 management shall prescribe the form for the public hearing
66 2 notice for use by counties.

66 3 6. The board shall appropriate, by resolution, the amounts
66 4 deemed necessary for each of the different county officers and
66 5 departments during the ensuing fiscal year. Increases or
66 6 decreases in these appropriations do not require a budget
66 7 amendment, but may be provided by resolution at a regular
66 8 meeting of the board, as long as each class of proposed
66 9 expenditures contained in the certified budget summary

~~66 10 published under subsection 3 of this section is not increased.~~
66 11 However, decreases in appropriations for a county officer or
66 12 department of more than ten percent or five thousand dollars,
66 13 whichever is greater, shall not be effective unless the board
66 14 sets a time and place for a public hearing on the proposed
66 15 decrease and publishes notice of the hearing not less than ten
66 16 nor more than twenty days prior to the hearing in the county
66 17 newspapers selected under chapter 349.

66 18 Sec. 128. Section 331.436, Code 2005, is amended to read
66 19 as follows:

66 20 331.436 PROTEST.

66 21 Protests to the adopted budget must be made in accordance
66 22 with sections 24.27 through 24.32 as if the county were the
66 23 municipality under those sections except that the number of
66 24 people necessary to file a protest under this section shall
66 25 not be less than one hundred. The written protest filed with
66 26 the county auditor shall, in detail, describe the item or
66 27 items being protested. The hearing on the protest shall be
66 28 limited to consideration of those items described in the
66 29 written protest.

66 30 For purposes of a protest to the adopted budget, "item"
66 31 means a budgeted expenditure, appropriation, or cash reserve
66 32 from a fund for a service area, program, program element, or
66 33 purpose.

66 34 Sec. 129. Section 331.559, subsection 1, Code 2005, is
66 35 amended to read as follows:

67 1 1. Determine and collect ~~taxes on mobile homes and~~
~~67 2 manufactured homes occupied lot surcharges~~ as provided in
67 3 ~~sections 435.22 to 435.26 chapter 435.~~

67 4 Sec. 130. Section 331.653, subsection 17, Code 2005, is
67 5 amended to read as follows:

67 6 17. Enforce the payment of the ~~manufactured or mobile home~~
~~67 7 tax occupied lot surcharge~~ as provided in section 435.24.

67 8 Sec. 131. Section 335.30A, unnumbered paragraph 2, Code

67 9 2005, is amended to read as follows:

67 10 "Land=leased community" means any site, lot, field, or
67 11 tract of land under common ownership upon which ten or more
67 12 occupied manufactured homes are harbored, either free of
67 13 charge or for revenue purposes, and shall include any
67 14 building, structure, or enclosure used or intended for use as
67 15 part of the equipment of the land=leased community. The term
67 16 "land=leased community" shall not be construed to include
67 17 homes, buildings, or other structures temporarily maintained
67 18 by any individual, educational institution, or company on
67 19 their own premises and used exclusively to house their own
67 20 labor or students. ~~A manufactured home located~~ The owner of
67 21 the land in a land=leased community shall be ~~taxed~~ subject to
67 22 the occupied lot surcharge under section 435.22 as if the

67 23 manufactured home were located in a mobile home park.

67 24 Sec. 132. Section 384.16, Code 2005, is amended by adding
67 25 the following new subsection:

67 26 NEW SUBSECTION. 1A. The budget shall also show all of the
67 27 following:

67 28 a. The change in property valuations from the preceding
67 29 year.

67 30 b. A comparison of the proposed change in revenues and the
67 31 amount to be raised from property taxation from the preceding
67 32 two years.

67 33 c. The proposed change in property tax rates from the
67 34 preceding year.

67 35 d. The amount the property tax rate would be if the amount
68 1 to be raised from property taxes in the budget year was equal
68 2 to the amount raised from property taxes the preceding year.

68 3 e. A description of all major changes in revenue and
68 4 expenditures for the proposed budget.

68 5 f. A comparison of the actual taxes levied in the
68 6 preceding year and the amount of taxes to be levied in the
68 7 proposed budget on one representative property from each of
68 8 the classes of agricultural property, commercial property,
68 9 industrial property, and residential property.

68 10 The information to be provided by paragraphs "a" through
68 11 "c", "e", and "f", shall be presented as increases or
68 12 decreases in dollar amounts and percentages. The information
68 13 required in this subsection shall be presented in the detail
68 14 and form prescribed by the director of the department of
68 15 management.

68 16 Sec. 133. Section 384.16, subsection 3, Code 2005, is
68 17 amended to read as follows:

68 18 3. The council shall set a time and place for public
68 19 hearing on the budget before the final certification date and
68 20 shall publish notice of the hearing not less than ~~ten~~ four nor
68 21 more than twenty days before the hearing in a newspaper
68 22 published at least once weekly and having general circulation
68 23 in the city. However, if the city has a population of two
68 24 hundred or less, publication may be made by posting in three
68 25 public places in the city. A summary of the proposed budget
68 26 shall be included in the notice. The notice shall also
68 27 include the information required in subsection 1A. Proof of

68 28 publication must be filed with the county auditor. The
68 29 department of management shall prescribe the form for the
68 30 public hearing notice for use by cities.

68 31 Sec. 134. Section 384.19, unnumbered paragraphs 1 and 3,
68 32 Code 2005, are amended to read as follows:

68 33 Within a period of ten days after the final date that a
68 34 budget or amended budget may be certified to the county
68 35 auditor, persons affected by the budget may file a written
69 1 protest with the county auditor specifying their objections to
69 2 the budget or any part of it. A protest must be signed by
69 3 registered voters equal in number to one-fourth of one percent
69 4 of the votes cast for governor in the last preceding general
69 5 election in the city, but the number shall not be less than
69 6 ten persons and the number need not be more than one hundred
69 7 persons. The written protest filed with the county auditor
69 8 shall, in detail, describe the item or items being protested.

69 9 The state appeal board shall proceed to consider the
69 10 protest in accordance with the same provisions that protests
69 11 to budgets of municipalities are considered under chapter 24,
69 12 except that the hearing on the protest shall be limited to
69 13 consideration of those items described in the written protest.

69 14 The state appeal board shall certify its decision with respect
69 15 to the protest to the county auditor and to the parties to the
69 16 appeal as provided by rule, and the decision shall be final.

69 17 Sec. 135. Section 384.19, Code 2005, is amended by adding
69 18 the following new unnumbered paragraph:

69 19 NEW UNNUMBERED PARAGRAPH. For purposes of a protest to the

69 20 adopted budget, "item" means a budgeted expenditure,
69 21 appropriation, or cash reserve from a fund for a service area,
69 22 program, program element, or purpose.

69 23 Sec. 136. Section 403.19, subsection 5, Code 2005, is
69 24 amended to read as follows:

69 25 5. A municipality shall certify to the county auditor on
69 26 or before ~~December 1~~ November 15 the amount of loans,
69 27 advances, indebtedness, or bonds which qualify for payment
69 28 from the special fund referred to in subsection 2, and the
69 29 filing of the certificate shall make it a duty of the auditor
69 30 to provide for the division of taxes in each subsequent year
69 31 until the amount of the loans, advances, indebtedness, or
69 32 bonds is paid to the special fund. In any year, the county
69 33 auditor shall, upon receipt of a certified request from a
69 34 municipality filed on or before ~~December 1~~ November 15,
69 35 increase the amount to be allocated under subsection 1 in
70 1 order to reduce the amount to be allocated in the following
70 2 fiscal year to the special fund, to the extent that the
70 3 municipality does not request allocation to the special fund
70 4 of the full portion of taxes which could be collected. Upon
70 5 receipt of a certificate from a municipality, the auditor
70 6 shall mail a copy of the certificate to each affected taxing
70 7 district.

70 8 Sec. 137. Section 414.28A, unnumbered paragraph 2, Code
70 9 2005, is amended to read as follows:

70 10 "Land-leased community" means any site, lot, field, or
70 11 tract of land under common ownership upon which ten or more
70 12 occupied manufactured homes are harbored, either free of
70 13 charge or for revenue purposes, and shall include any
70 14 building, structure, or enclosure used or intended for use as
70 15 part of the equipment of the land-leased community. The term
70 16 "land-leased community" shall not be construed to include
70 17 homes, buildings, or other structures temporarily maintained
70 18 by any individual, educational institution, or company on
70 19 their own premises and used exclusively to house their own
70 20 labor or students. ~~A manufactured home located~~ The owner of
70 21 the land in a land-leased community shall be ~~taxed subject to~~
70 22 ~~the occupied lot surcharge~~ under section 435.22 as if the
70 23 manufactured home were located in a mobile home park.

70 24 Sec. 138. Section 435.1, subsections 3 and 7, Code 2005,
70 25 is amended to read as follows:

70 26 3. "Manufactured home" means a factory-built structure
70 27 built under authority of 42 U.S.C. } 5403, that is required by
70 28 federal law to display a seal from the United States
70 29 department of housing and urban development, and was
70 30 constructed on or after June 15, 1976. If a manufactured home
70 31 is placed in a manufactured home community or a mobile home
70 32 park, the home must be titled ~~and is subject to the~~
70 33 ~~manufactured or mobile home square foot tax.~~ If a
70 34 manufactured home is placed outside a manufactured home
70 35 community or a mobile home park, the home must be titled and
71 1 is to be assessed and taxed as real estate.

71 2 7. "Modular home" means a factory-built structure which is
71 3 manufactured to be used as a place of human habitation, is
71 4 constructed to comply with the Iowa state building code for
71 5 modular factory-built structures, as adopted pursuant to
71 6 section 103A.7, and must display the seal issued by the state
71 7 building code commissioner. ~~If a modular home is placed in a~~
71 8 ~~manufactured home community or mobile home park, the home is~~
71 9 ~~subject to the annual tax as required by section 435.22.~~ If a
71 10 modular home is placed outside a manufactured home community
71 11 or a mobile home park, the home shall be considered real
71 12 property and is to be assessed and taxed as real estate.

71 13 Sec. 139. Section 435.22, Code 2005, is amended by
71 14 striking the section and inserting in lieu thereof the
71 15 following:

71 16 435.22 ANNUAL OCCUPIED LOT SURCHARGE.

71 17 1. A mobile home or manufactured home located within a
71 18 mobile home park or manufactured home community is exempt from
71 19 property taxes.

71 20 2. The owner of a mobile home park or manufactured home
71 21 community shall pay to the county treasurer an occupied lot
71 22 surcharge. The occupied lot surcharge shall be computed as
71 23 follows:

71 24 a. Multiply the assessed value of the taxable property in
71 25 the mobile home park or manufactured home community times a
71 26 surcharge rate of five percent.

71 27 b. Multiply the product in paragraph "a" times the average
71 28 annual occupancy for the preceding calendar year.

71 29 3. The average annual occupancy is an amount equal to the
71 30 sum of the ratio of occupied lots in the park or community to

71 31 the total number of lots in the park or community for each
71 32 month of the calendar year, divided by twelve. A lot occupied
71 33 for any portion of a month is considered occupied for the
71 34 entire month. If the owner of a mobile home or manufactured
71 35 home is any educational institution and the home is used
72 1 solely for student housing or if the owner of a mobile home or
72 2 manufactured home is the state of Iowa or a subdivision of the
72 3 state, the lot shall not be considered occupied for purposes
72 4 of this subsection.

72 5 4. The occupied lot surcharge shall be computed to the
72 6 nearest whole dollar.

72 7 Sec. 140. Section 435.23, Code 2005, is amended to read as
72 8 follows:

72 9 435.23 EXEMPTIONS ~~-- PRORATING TAX.~~

72 10 The manufacturer's and dealer's inventory of mobile homes,
72 11 manufactured homes, or modular homes not in use as a place of
72 12 human habitation shall be exempt from the annual ~~tax occupied~~
72 13 ~~lot surcharge~~. All travel trailers shall be exempt from this
72 14 ~~tax surcharge~~. The homes and travel trailers in the inventory
72 15 of manufacturers and dealers shall be exempt from personal
72 16 property tax. ~~The homes coming into Iowa from out of state~~
72 17 ~~and located in a manufactured home community or mobile home~~
72 18 ~~park shall be liable for the tax computed pro rata to the~~
72 19 ~~nearest whole month, for the time the home is actually~~
72 20 ~~situated in Iowa.~~

72 21 Sec. 141. Section 435.24, Code 2005, is amended by
72 22 striking the section and inserting in lieu thereof the
72 23 following:

72 24 435.24 COLLECTION OF OCCUPIED LOT SURCHARGE.

72 25 1. The annual occupied lot surcharge shall be included on
72 26 the property tax statement of the owner of the mobile home
72 27 park or manufactured home community. The occupied lot
72 28 surcharge is due and payable to the county treasurer on or
72 29 after July 1 in each fiscal year and is collectible in the
72 30 same manner and at the same time as ordinary taxes as provided
72 31 in sections 445.36, 445.36A, 445.37, and 445.39. Interest at
72 32 the rate prescribed by law shall accrue on an unpaid surcharge
72 33 as if it were unpaid property taxes. If the surcharge is not
72 34 paid, the county treasurer shall send a statement of
72 35 delinquent taxes as part of the notice of tax sale as provided
73 1 in section 446.9. Interest for a delinquent surcharge shall
73 2 be calculated to the nearest whole dollar. In calculating
73 3 interest, each fraction of a month shall be counted as an
73 4 entire month.

73 5 2. The homeowners upon issuance of a certificate of title
73 6 or upon transporting to a new site shall file the address,
73 7 township, and school district of the location where the home
73 8 is parked with the county treasurer's office. Failure to
73 9 comply is punishable as set out in section 435.18. When the
73 10 new location is outside of a mobile home park or manufactured
73 11 home community, the county treasurer shall notify the assessor
73 12 for purposes of assessment as real estate on the following
73 13 January 1.

73 14 3. Each mobile home park or manufactured home community
73 15 owner shall monthly provide the county treasurer with the
73 16 percentage rate of occupancy for the preceding month. The
73 17 records of the owner shall be open to inspection by a duly
73 18 authorized representative of any law enforcement agency.

73 19 Sec. 142. Section 435.25, Code 2005, is amended by
73 20 striking the section and inserting in lieu thereof the
73 21 following:

73 22 435.25 APPORTIONMENT AND COLLECTION OF SURCHARGES.

73 23 Annual occupied lot surcharges and interest for delinquent
73 24 surcharges shall be apportioned in the same manner as though
73 25 they were the proceeds of taxes levied on the land where the
73 26 home is located.

73 27 Chapters 446, 447, and 448 apply to the sale of the land in
73 28 a mobile home park or manufactured home community for the
73 29 collection of delinquent surcharges and interest, the
73 30 redemption of the land in a park or community sold for the
73 31 collection of delinquent surcharges and interest, and the
73 32 execution of a tax sale certificate of title for the purchase
73 33 of the land in a park or community sold for the collection of
73 34 delinquent surcharges and interest in the same manner as
73 35 though the surcharges were property taxes on the land within
74 1 the meaning of these chapters to the extent consistent with
74 2 this chapter.

74 3 Sec. 143. Section 435.26A, subsection 2, unnumbered
74 4 paragraph 2, Code 2005, is amended to read as follows:

74 5 The manufactured home owner or the owner's representative
74 6 shall provide to the county recorder the identifying data of

74 7 the manufactured home, including the owner's name, the name of
74 8 the manufacturer, the model name, the year of manufacture, and
74 9 the serial number of the home, along with the legal
74 10 description of the real estate on which the manufactured home
74 11 is located. In addition, evidence shall be provided of the
74 12 surrender of the certificate of title. After the surrender of
74 13 the certificate of title of a manufactured home under this
74 14 section, conveyance of an interest in the manufactured home
74 15 shall not require transfer of title so long as the
74 16 manufactured home remains on the same real estate site. If
74 17 the manufactured home remains on the same real estate site,
74 18 the lot on which it is located shall be considered occupied
74 19 for purposes of section 435.22, subsection 3.

74 20 Sec. 144. Section 435.26A, subsection 3, Code 2005, is
74 21 amended to read as follows:

~~74 22 3. After the surrender of a manufactured home's~~
~~74 23 certificate of title under this section, the manufactured home~~
~~74 24 shall continue to be taxed under section 435.22 and is not~~
~~74 25 eligible for the homestead tax credit or the military service~~
~~74 26 tax exemption.~~ A foreclosure action on a manufactured home
74 27 whose title has been surrendered under this section shall be
74 28 conducted as a real estate foreclosure. A tax lien and its
74 29 priority shall remain the same on a manufactured home after
74 30 its certificate of title has been surrendered.

74 31 Sec. 145. Section 435.27, subsections 1 and 3, Code 2005,
74 32 are amended to read as follows:

74 33 1. A mobile home or manufactured home converted to real
74 34 estate under section 435.26 may be reconverted to a home as
74 35 provided in this section when it is moved to a manufactured
75 1 home community or mobile home park or a manufactured or mobile
75 2 home retailer's inventory. When the home is located within a
75 3 manufactured home community or mobile home park, the lot on
75 4 which the home is located shall be taxed pursuant to
75 5 considered occupied for purposes of section 435.22, subsection
75 6 ± 3.

75 7 3. After compliance with subsection 2 and receipt of the
75 8 title, the owner shall notify the assessor of the
75 9 reconversion. The assessor shall remove the assessed
75 10 valuation of the home from assessment rolls as of the
75 11 succeeding January 1 ~~when the home becomes subject to taxation~~
~~75 12 as provided under section 435.24.~~

75 13 Sec. 146. Section 435.34, Code 2005, is amended to read as
75 14 follows:

75 15 435.34 MODULAR HOME EXEMPTION.

75 16 For the purposes of this chapter a modular home shall not
75 17 be construed to be a mobile home and shall be exempt from the
75 18 provisions of this chapter. However, this section shall not
75 19 prohibit the location of a modular home within a manufactured
75 20 home community or mobile home park. If a modular home is
75 21 located within a manufactured home community or mobile home
75 22 park, the lot on which it is placed is considered occupied for
75 23 purposes of the occupied lot surcharge in section 435.22.

~~75 24 This section does not apply to manufactured home~~
~~75 25 communities or mobile home parks in existence on or before~~
~~75 26 January 1, 1998. If a modular home is placed in a~~
~~75 27 manufactured home community or mobile home park which was in~~
~~75 28 existence on or before January 1, 1998, that modular home~~
~~75 29 shall be subject to property tax pursuant to section 435.22.~~

75 30 Sec. 147. Section 445.5, subsection 4, Code 2005, is
75 31 amended to read as follows:

75 32 4. The county treasurer shall deliver to the taxpayer a
75 33 receipt stating the year of tax, date of payment, a
75 34 description of the parcel, and the amount of taxes, interest,
75 35 fees, and costs paid except when payment of taxes is made by
76 1 check, then a receipt shall be issued only upon request. The
76 2 receipt shall be in full of the first half, second half, or
76 3 full year amounts unless a payment is made under section
76 4 445.36A ~~or 435.24, subsection 6.~~

76 5 Sec. 148. Section 445.57, unnumbered paragraph 1, Code
76 6 2005, is amended to read as follows:

76 7 On or before the tenth day of each month, the county
76 8 treasurer shall apportion all taxes collected during the
76 9 preceding month, except partial payment amounts collected
76 10 pursuant to section 445.36A, subsection 1 ~~and section 435.24,~~
~~76 11 subsection 6, paragraph "a",~~ among the several funds to which
76 12 they belong according to the amount levied for each fund, and
76 13 shall apportion the interest, fees, and costs on the taxes to
76 14 the general fund, and shall enter those amounts upon the
76 15 treasurer's cash account, and report the amounts to the county
76 16 auditor.

76 17 Sec. 149. Sections 435.29 and 435.33, Code 2005, are

76 18 repealed.
76 19 Sec. 150. APPLICABILITY DATE.
76 20 1. The sections of this division of this Act amending
76 21 section 25B.2 and enacting sections 25B.3A and 25B.8 take
76 22 effect July 1, 2005.
76 23 2. The remainder of this division of this Act takes effect
76 24 July 1, 2006, and applies to fiscal years beginning on or
76 25 after July 1, 2007.

DIVISION IV
MAXIMUM PROPERTY TAX DOLLARS

76 28 Sec. 151. Section 24.48, unnumbered paragraphs 4, 5, and
76 29 7, Code 2005, are amended by striking the paragraphs.
76 30 Sec. 152. Section 24.48, unnumbered paragraph 6, Code
76 31 2005, is amended to read as follows:
76 32 For purposes of this section only, "political subdivision"
76 33 means a ~~city~~, school district, or any other special purpose
76 34 district which certifies its budget to the county auditor and
76 35 derives funds from a property tax levied against taxable
77 1 property situated within the political subdivision.
77 2 Sec. 153. Section 331.263, subsection 2, Code 2005, is
77 3 amended to read as follows:
77 4 2. The governing body of the community commonwealth shall
77 5 have the authority to levy county taxes and shall have the
77 6 authority to levy city taxes to the extent the city tax levy
77 7 authority is transferred by the charter to the community
77 8 commonwealth. A city participating in the community
77 9 commonwealth shall transfer a portion of the city's tax levy
77 10 authorized under section 384.1 or 384.12, whichever is
77 11 applicable, to the governing body of the community
77 12 commonwealth. The maximum ~~rates~~ amount of taxes authorized to
77 13 be levied under ~~sections~~ section 384.1 and ~~the maximum rates~~
77 14 ~~of taxes authorized to be levied under section 384.12 by a~~
77 15 city participating in the community commonwealth shall be
77 16 reduced by an amount equal to the rates of the same or similar
77 17 taxes levied in the city by the governing body of the
77 18 community commonwealth.
77 19 Sec. 154. Section 331.325, Code 2005, is amended to read
77 20 as follows:
77 21 331.325 CONTROL AND MAINTENANCE OF PIONEER CEMETERIES ==
77 22 CEMETERY COMMISSION.
77 23 1. As used in this section, "pioneer cemetery" means a
77 24 cemetery where there have been six or fewer burials in the
77 25 preceding fifty years.
77 26 2. Each county board of supervisors may adopt an ordinance
77 27 assuming jurisdiction and control of pioneer cemeteries in the
77 28 county. The board shall exercise the powers and duties of
77 29 township trustees relating to the maintenance and repair of
77 30 cemeteries in the county as provided in sections 359.28
77 31 through 359.41 except that the board shall not certify a tax
77 32 levy pursuant to section 359.30 or 359.33 and except that the
77 33 maintenance and repair of all cemeteries under the
77 34 jurisdiction of the county including pioneer cemeteries shall
77 35 be paid from the ~~county general cemetery~~ fund. The
78 1 maintenance and improvement program for a pioneer cemetery may
78 2 include restoration and management of native prairie grasses
78 3 and wildflowers.
78 4 3. In lieu of management of the cemeteries, the board of
78 5 supervisors may create, by ordinance, a cemetery commission to
78 6 assume jurisdiction and management of the pioneer cemeteries
78 7 in the county. The ordinance shall delineate the number of
78 8 commissioners, the appointing authority, the term of office,
78 9 officers, employees, organizational matters, rules of
78 10 procedure, compensation and expenses, and other matters deemed
78 11 pertinent by the board. The board may delegate any power and
78 12 duties relating to cemeteries which may otherwise be exercised
78 13 by township trustees pursuant to sections 359.28 through
78 14 359.41 to the cemetery commission except the commission shall
78 15 not certify a tax levy pursuant to section 359.30 or 359.33
78 16 and except that the expenses of the cemetery commission shall
78 17 be paid from the ~~county general cemetery~~ fund.
78 18 4. Notwithstanding sections 359.30 and 359.33, the costs
78 19 of management, repair, and maintenance of pioneer cemeteries
78 20 shall be paid from the ~~county general cemetery~~ fund.
78 21 Sec. 155. Section 331.422, unnumbered paragraph 1, Code
78 22 2005, is amended to read as follows:
78 23 Subject to this section and sections 331.423 through
78 24 ~~331.426~~ 331.424C or as otherwise provided by state law, the
78 25 board of each county shall certify property taxes annually at
78 26 its March session to be levied for county purposes as follows:
78 27 Sec. 156. Section 331.423, Code 2005, is amended by
78 28 striking the section and inserting in lieu thereof the

78 29 following:
78 30 331.423 PROPERTY TAX DOLLARS == MAXIMUMS.
78 31 1. Annually, the board shall determine separate property
78 32 tax levy limits to pay for general county services and rural
78 33 county services in accordance with this section. The property
78 34 tax levies separately certified for general county services
78 35 and rural county services in accordance with section 331.434
79 1 shall not exceed the amount determined under this section.
79 2 2. For purposes of this section and section 331.423A:
79 3 a. "Annual price index" means the sum of one plus the
79 4 change, computed to four decimal places, between the
79 5 preliminary price index for the third quarter of the calendar
79 6 year preceding the calendar year in which the budget year
79 7 begins and the revised price index for the third quarter of
79 8 the previous calendar year. The price index used shall be the
79 9 state and local government chain-type price index used in the
79 10 quantity and price indexes for gross domestic product as
79 11 published by the United States department of commerce.
79 12 b. "Boundary adjustment" means annexation, severance,
79 13 incorporation, or discontinuance as those terms are defined in
79 14 section 368.1.
79 15 c. "Budget year" is the fiscal year beginning during the
79 16 calendar year in which a budget is certified.
79 17 d. "Current fiscal year" is the fiscal year ending during
79 18 the calendar year in which a budget is certified.
79 19 e. "Net new valuation taxes" means the amount of property
79 20 tax dollars equal to the certified general rate for the
79 21 current fiscal year for purposes of the general fund, or the
79 22 certified rural rate for the current fiscal year for purposes
79 23 of the rural services fund, times the increase from the
79 24 current fiscal year to the budget year in taxable valuation
79 25 due to the following:
79 26 (1) New construction.
79 27 (2) Additions or improvements to existing structures.
79 28 (3) Remodeling of existing structures for which a building
79 29 permit is required.
79 30 (4) Net boundary adjustment.
79 31 (5) A municipality no longer dividing tax revenues in an
79 32 urban renewal area as provided in section 403.19, to the
79 33 extent that the incremental valuation released is due to new
79 34 construction or revaluation on property newly constructed,
79 35 additions or improvements to existing property, net boundary
80 1 adjustment, or expiration of tax abatements, all occurring
80 2 after the division of revenue begins.
80 3 (6) That portion of taxable property located in an urban
80 4 revitalization area on which an exemption was allowed and such
80 5 exemption has expired.
80 6 3. a. For the fiscal year beginning July 1, 2007, and
80 7 subsequent fiscal years, the maximum amount of property tax
80 8 dollars which may be certified for levy by a county for
80 9 general county services and rural county services shall be the
80 10 maximum property tax dollars calculated under paragraphs "b"
80 11 and "c", respectively.
80 12 b. The maximum property tax dollars that may be levied for
80 13 general county services is an amount equal to the sum of the
80 14 following:
80 15 (1) The annual price index times the current fiscal year's
80 16 maximum property tax dollars for general county services.
80 17 (2) The amount of net new valuation taxes in the county.
80 18 c. The maximum property tax dollars that may be levied for
80 19 rural county services is an amount equal to the sum of the
80 20 following:
80 21 (1) The annual price index times the current fiscal year's
80 22 maximum property tax dollars for rural county services.
80 23 (2) The amount of net new valuation taxes in the
80 24 unincorporated area of the county.
80 25 4. a. For purposes of calculating maximum property tax
80 26 dollars for general county services for the fiscal year
80 27 beginning July 1, 2007, only, the term "current fiscal year's
80 28 maximum property tax dollars" shall mean the greater of the
80 29 following:
80 30 (1) The actual taxes certified for the general basic fund
80 31 for either the fiscal year beginning July 1, 2005, or the
80 32 fiscal year beginning July 1, 2006, as selected by the county.
80 33 (2) The taxes that could have been certified for the
80 34 general basic fund for either the fiscal year beginning July
80 35 1, 2005, or the fiscal year beginning July 1, 2006, if the
81 1 county had levied a rate of three dollars and fifty cents per
81 2 one thousand dollars of valuation, as selected by the county.
81 3 b. For purposes of calculating maximum property tax
81 4 dollars for rural county services for the fiscal year

81 5 beginning July 1, 2007, only, the term "current fiscal year's
81 6 maximum property tax dollars" shall mean the greater of the
81 7 following:

81 8 (1) The actual taxes certified for the rural basic fund
81 9 for either the fiscal year beginning July 1, 2005, or the
81 10 fiscal year beginning July 1, 2006, as selected by the county.

81 11 (2) The taxes that could have been certified for the rural
81 12 basic fund for either the fiscal year beginning July 1, 2005,
81 13 or the fiscal year beginning July 1, 2006, if the county had
81 14 levied a rate of three dollars and ninety-five cents per one
81 15 thousand dollars of valuation, as selected by the county.

81 16 c. Each county shall notify the department of management
81 17 by August 1, 2006, whether it will use the fiscal year
81 18 beginning July 1, 2005, or the fiscal year beginning July 1,
81 19 2006, for the calculation under this subsection. If a county
81 20 does not notify the department by August 1, 2006, the fiscal
81 21 year used for the calculation under this subsection shall be
81 22 the fiscal year beginning July 1, 2006.

81 23 5. Property taxes certified for deposit in the county
81 24 general and rural supplemental funds in section 331.424, the
81 25 mental health, mental retardation, and developmental
81 26 disabilities services fund in section 331.424A, the cemetery
81 27 fund in section 331.424B, the emergency services fund in
81 28 section 331.424C, the debt service fund in section 331.430,
81 29 any capital projects fund established by the county for
81 30 deposit of bond, loan, or note proceeds, and any increase
81 31 approved pursuant to section 331.426A, are not included in the
81 32 maximum amount of property tax dollars that may be certified
81 33 for a budget year under subsection 3.

81 34 6. The department of management, in consultation with the
81 35 county finance committee, shall adopt rules to administer this
82 1 section. The department shall prescribe forms to be used by
82 2 counties when making calculations required by this section.

82 3 Sec. 157. NEW SECTION. 331.423A ENDING FUND BALANCE
82 4 LIMITATION.

82 5 The county board of supervisors shall adopt a resolution on
82 6 or before January 1, 2007, establishing a fund balance
82 7 limitation in both the general basic and rural basic funds.
82 8 The fund balance limitation shall be in the form of the
82 9 unreserved, undesignated fund balance in each fund, expressed
82 10 as a percentage of budgeted expenditures in the appropriate
82 11 fund. The board of supervisors may change the fund balance
82 12 limitation at any time after January 1, 2007, by adopting a
82 13 resolution stating the new fund balance limitation.

82 14 Sec. 158. Section 331.424A, subsection 4, Code 2005, is
82 15 amended to read as follows:

82 16 4. For the fiscal year beginning July 1, 1996, and for
82 17 each subsequent fiscal year, the county shall certify a levy
82 18 for payment of services. For each fiscal year, county
82 19 revenues from taxes imposed by the county credited to the
82 20 services fund shall not exceed an amount equal to the amount
82 21 of base year expenditures for services as defined in section
82 22 331.438, less the amount of property tax relief to be received
82 23 pursuant to section 426B.2, in the fiscal year for which the
82 24 budget is certified. The county auditor and the board of
82 25 supervisors shall reduce the amount of the levy certified for
82 26 the services fund by the amount of property tax relief to be
82 27 received. A levy certified under this section is not subject
82 28 to the ~~any appeal provisions of section 331.426 or to any~~
82 29 ~~other provision~~ in law authorizing a county to exceed,
82 30 increase, or appeal a property tax levy limit.

82 31 Sec. 159. Section 331.424B, Code 2005, is amended to read
82 32 as follows:

82 33 331.424B CEMETERY LEVY.

82 34 The board may levy annually a tax on all taxable property
82 35 in the county not to exceed six and three-fourths cents per
83 1 thousand dollars of the assessed value of all taxable property
83 2 in the county to repair and maintain all cemeteries under the
83 3 jurisdiction of the board including pioneer cemeteries and to
83 4 pay other expenses of the board or the cemetery commission as
83 5 provided in section 331.325. The proceeds of the tax levy
83 6 shall be credited to the ~~county general cemetery~~ fund.

83 7 Sec. 160. NEW SECTION. 331.426A AUTHORITY TO LEVY BEYOND
83 8 MAXIMUM PROPERTY TAX DOLLARS.

83 9 1. The board may certify levies in addition to the maximum
83 10 amount of property tax dollars that may be levied, as computed
83 11 under section 331.423, for the general basic fund and the
83 12 rural basic fund as provided in this section.

83 13 The board shall publish notice of a public hearing on the
83 14 additional levy proposal in the manner provided in section
83 15 331.305. The public hearing shall be held at least thirty

83 16 days prior to the budget certification date. The hearing
83 17 shall not be held in conjunction with the hearing on the
83 18 budget provided for in section 331.434.

83 19 The notice shall state the date, time, and place of the
83 20 public hearing on the proposal. The notice shall state the
83 21 maximum property tax dollars allowed for the budget year and
83 22 shall state the amount of the addition to the maximum. The
83 23 amount of the addition shall be stated as a dollar amount and
83 24 a percentage of the maximum property tax dollars allowed for
83 25 the first budget year to which it will be applied. The notice
83 26 shall also state whether the addition to the maximum amount of
83 27 property tax dollars is a permanent addition or whether it is
83 28 for a set number of fiscal years. The notice shall include a
83 29 statement that if the percentage amount is more than three
83 30 percent, a petition may be filed requesting a special election
83 31 to approve or reject the amount of additional dollars over
83 32 three percent.

83 33 If within ten days of the date the public hearing was
83 34 conducted, a petition is filed with the county commissioner of
83 35 elections asking that the proposal be submitted to the
84 1 registered voters of the county, the board shall, by
84 2 resolution, either abandon the proposal, reduce the amount of
84 3 the additional dollars to three percent or less, or direct the
84 4 county commissioner of elections to call a special election on
84 5 the proposal to be held no later than April 30 of the budget
84 6 year. If the additional amount applies to the general basic
84 7 fund, the petition must contain the signatures of at least ten
84 8 percent of the eligible electors in the county, as determined
84 9 in the preceding federal decennial census. If the additional
84 10 amount applies to the rural basic fund, the petition must
84 11 contain the signatures of at least ten percent of the eligible
84 12 electors residing in the unincorporated area of the county, as
84 13 determined in the preceding federal decennial census.

84 14 2. The special election is subject to the following:

84 15 a. The board must give at least thirty days' notice to the
84 16 county commissioner of elections that the special election is
84 17 to be held.

84 18 b. The special election shall be conducted by the county
84 19 commissioner of elections in accordance with law.

84 20 c. If the proposal is to temporarily exceed the maximum
84 21 dollars amount, the proposition to be submitted shall be
84 22 substantially in the following form:

84 23 "Vote "yes" or "no" on the following question: Shall the
84 24 county of _____ levy for an additional \$_____ each year
84 25 for _____ years beginning July 1, _____, in excess of the
84 26 statutory limits otherwise applicable for the (general county
84 27 services or rural services) fund for the purposes of
84 28 _____?"

84 29 If the proposal is to permanently increase the maximum
84 30 property tax dollars, the proposition to be submitted shall be
84 31 substantially in the following form:

84 32 "Vote "yes" or "no" on the following question: Shall the
84 33 county of _____ permanently increase its maximum property
84 34 tax dollars by adding \$_____ to its maximum for the fiscal
84 35 year beginning July 1, _____, and retaining that amount,
85 1 adjusted by the inflation index allowed by statute, for all
85 2 subsequent fiscal years, in excess of the statutory limits
85 3 otherwise applicable for the (general county services or rural
85 4 services) fund for the purposes of _____?"

85 5 d. The canvass shall be held beginning at one p.m. on the
85 6 second day which is not a holiday following the special
85 7 election.

85 8 e. Notice of the special election shall be published at
85 9 least once in a newspaper as specified in section 331.305
85 10 prior to the date of the special election. The notice shall
85 11 appear as early as practicable after the board has directed
85 12 that the proposition be submitted to the voters.

85 13 f. Registered voters in the county may vote on the
85 14 proposition to increase property taxes for the general fund in
85 15 excess of the statutory limit. Registered voters residing
85 16 outside the corporate limits of a city within the county may
85 17 vote on the proposition to increase property taxes for the
85 18 rural services fund in excess of the statutory limit.

85 19 3. a. If a majority of those voting on the proposal does
85 20 not approve the proposal, the board shall not certify
85 21 additional property taxes in excess of three percent of the
85 22 maximum property tax dollars for the budget year to which the
85 23 addition first applies. If a majority of those voting on the
85 24 proposal approves the proposal, the board may certify the
85 25 additional dollars for the budget years approved at the
85 26 election.

85 27 b. If the proposal approved by the voters was for a
85 28 permanent addition, the amount of additional dollars approved
85 29 for the first budget year to which the addition applies shall
85 30 be added to the "current fiscal year's maximum property tax
85 31 dollars" for that budget year when computing maximum property
85 32 tax dollars under section 331.423.

85 33 If the proposal approved by the voters was for a temporary
85 34 addition, the amount of additional dollars approved shall be
85 35 added after the computation under section 331.423.

86 1 4. If a county's budget is protested pursuant to section
86 2 331.436, and for the same budget year, an election has been
86 3 petitioned for under this section, the hearing on the budget
86 4 protest shall not be held by the state appeal board until
86 5 after the results of the election have been certified by the
86 6 county commissioner of elections. If a majority of those
86 7 voting on the proposal votes in favor of the proposal, the
86 8 budget protest filed for that budget year shall be deemed
86 9 void. If the proposal is rejected by the voters, the state
86 10 appeal board may proceed with the hearing on the budget
86 11 protest.

86 12 Sec. 161. Section 331.434, unnumbered paragraph 1, Code
86 13 2005, is amended to read as follows:

86 14 Annually, the board of each county, subject to sections
86 15 331.423 through ~~331.426~~ 331.424C and other applicable state
86 16 law, shall prepare and adopt a budget, certify taxes, and
86 17 provide appropriations as follows:

86 18 Sec. 162. Section 331.435, unnumbered paragraph 1, Code
86 19 2005, is amended to read as follows:

86 20 The board may amend the adopted county budget, subject to
86 21 sections 331.423 through ~~331.426~~ 331.424C and other applicable
86 22 state law, to permit increases in any class of proposed
86 23 expenditures contained in the certified budget.

86 24 Sec. 163. Section 357B.8, subsection 2, paragraph c, Code
86 25 2005, is amended to read as follows:

86 26 c. The benefited fire district shall certify the tax levy
86 27 as provided in this subsection only after agreement granted by
86 28 resolution of the city council. The amount of the tax rate
86 29 levied under this subsection shall reduce by an equal amount
86 30 the maximum ~~tax levy amount of taxes~~ authorized for the
~~86 31 general fund of that city levy~~ under section 384.1. If the
86 32 district levies directly against property within a city to
86 33 provide fire protection for that city, the city shall not be
86 34 responsible for providing fire protection as provided in
86 35 section 364.16, and shall have no liability for the method,
87 1 manner, or means in which the district provides the fire
87 2 protection.

87 3 Sec. 164. Section 373.10, Code 2005, is amended to read as
87 4 follows:

87 5 373.10 TAXING AUTHORITY.

87 6 The metropolitan council shall have the authority to levy
87 7 city taxes to the extent the city tax levy authority is
87 8 transferred by the charter to the metropolitan council. A
87 9 member city shall transfer a portion of the city's tax levy
87 10 authorized under section 384.1 or 384.12, whichever is
87 11 applicable, to the metropolitan council. The maximum ~~rates~~
87 12 amount of taxes authorized to be levied under ~~sections~~ section
87 13 384.1 and the maximum rates of taxes authorized to be levied
87 14 under section 384.12 by a member city shall be reduced by an
87 15 amount equal to the rates of the same or similar taxes levied
87 16 in the city by the metropolitan council.

87 17 Sec. 165. Section 384.1, Code 2005, is amended by striking
87 18 the section and inserting in lieu thereof the following:

87 19 384.1 PROPERTY TAX DOLLARS == MAXIMUMS.

87 20 1. A city shall certify taxes to be levied by the county
87 21 on all taxable property within the city limits, for all city
87 22 government purposes. Annually, the city council may certify
87 23 basic levies for deposit in the general fund, subject to the
87 24 limitation on property tax dollars provided in this section.

87 25 2. For purposes of this section and section 384.1A:

87 26 a. "Annual price index" means the sum of one plus the
87 27 change, computed to four decimal places, between the
87 28 preliminary price index for the third quarter of the calendar
87 29 year preceding the calendar year in which the budget year
87 30 begins and the revised price index for the third quarter of
87 31 the previous calendar year. The price index used shall be the
87 32 state and local government chain-type price index used in the
87 33 quantity and price indexes for gross domestic product as
87 34 published by the United States department of commerce.

87 35 b. "Boundary adjustment" means annexation, severance,
88 1 incorporation, or discontinuance as those terms are defined in
88 2 section 368.1.

88 3 c. "Budget year" is the fiscal year beginning during the
88 4 calendar year in which a budget is certified.

88 5 d. "Current fiscal year" is the fiscal year ending during
88 6 the calendar year in which a budget is certified.

88 7 e. "Net new valuation taxes" means the amount of property
88 8 tax dollars equal to the certified general rate for the
88 9 current fiscal year for purposes of the city general fund
88 10 times the increase from the current fiscal year to the budget
88 11 year in taxable valuation due to the following:

88 12 (1) New construction.

88 13 (2) Additions or improvements to existing structures.

88 14 (3) Remodeling of existing structures for which a building
88 15 permit is required.

88 16 (4) Net boundary adjustment.

88 17 (5) A municipality no longer dividing tax revenues in an
88 18 urban renewal area as provided in section 403.19, to the
88 19 extent that the incremental valuation released is due to new
88 20 construction or revaluation on property newly constructed,
88 21 additions or improvements to existing property, net boundary
88 22 adjustment, or expiration of tax abatements, all occurring
88 23 after the division of revenue begins.

88 24 (6) That portion of taxable property located in an urban
88 25 revitalization area on which an exemption was allowed and such
88 26 exemption has expired.

88 27 3. a. For the fiscal year beginning July 1, 2007, and
88 28 subsequent fiscal years, the maximum amount of property tax
88 29 dollars which may be certified by a city for the general fund
88 30 shall be the maximum property tax dollars calculated under
88 31 paragraph "b".

88 32 b. The maximum property tax dollars that may be levied for
88 33 deposit in the general fund is an amount equal to the sum of
88 34 the following:

88 35 (1) The annual price index times the current fiscal year's
89 1 maximum property tax dollars for the general fund.

89 2 (2) The amount of net new valuation taxes.

89 3 4. a. For purposes of calculating maximum property tax
89 4 dollars for the city general fund for the fiscal year
89 5 beginning July 1, 2007, only, the term "current fiscal year's
89 6 maximum property tax dollars" shall mean the greater of the
89 7 following:

89 8 (1) The actual taxes certified for the general fund for
89 9 either the fiscal year beginning July 1, 2005, or the fiscal
89 10 year beginning July 1, 2006, as selected by the city.

89 11 (2) The taxes that could have been certified for the
89 12 general fund for either the fiscal year beginning July 1,
89 13 2005, or the fiscal year beginning July 1, 2006, if the city
89 14 had levied a rate of eight dollars and ten cents per one
89 15 thousand dollars of valuation, as selected by the city.

89 16 b. Each city shall notify the department of management by
89 17 August 1, 2006, whether it will use the fiscal year beginning
89 18 July 1, 2005, or the fiscal year beginning July 1, 2006, for
89 19 the calculation under this subsection. If a city does not
89 20 notify the department by August 1, 2006, the fiscal year used
89 21 for the calculation under this subsection shall be the fiscal
89 22 year beginning July 1, 2006.

89 23 5. Property taxes certified for deposit in the general
89 24 fund do not include property taxes certified for the debt
89 25 service fund in section 384.4, trust and agency funds in
89 26 section 384.6, the capital improvements reserve fund in
89 27 section 384.7, the emergency fund in section 384.8, any
89 28 capital projects fund established by the city for deposit of
89 29 bond, loan, or note proceeds, any temporary increase approved
89 30 pursuant to section 384.1D, property taxes collected from a
89 31 voted levy in section 384.12, and property taxes levied under
89 32 section 384.12, subsection 18, and any increase approved
89 33 pursuant to section 384.12A. Such taxes certified for these
89 34 funds and for these purposes shall not be included in the
89 35 maximum amount of property tax dollars that may be certified
90 1 for a budget year under subsection 3.

90 2 6. Notwithstanding the maximum amount of taxes a city may
90 3 certify for levy, the tax certified for levy by a city on
90 4 tracts of land and improvements on the tracts of land used and
90 5 assessed for agricultural or horticultural purposes shall not
90 6 exceed three dollars and three-eighths cents per thousand
90 7 dollars of assessed value in any year. Improvements located
90 8 on such tracts of land and not used for agricultural or
90 9 horticultural purposes and all residential dwellings are
90 10 subject to the same rate of tax certified for levy by the city
90 11 on all other taxable property within the city.

90 12 7. The department of management, in consultation with the
90 13 city finance committee, shall adopt rules to administer this

90 14 section. The department shall prescribe forms to be used by
90 15 cities when making calculations required by this section.

90 16 Sec. 166. NEW SECTION. 384.1A ENDING FUND BALANCE
90 17 LIMITATION.

90 18 The city council shall adopt a resolution on or before
90 19 January 1, 2007, establishing a fund balance limitation for
90 20 the city general fund. The fund balance limitation shall be
90 21 in the form of the unreserved, undesignated fund balance in
90 22 the fund, expressed as a percentage of budgeted expenditures
90 23 in the fund. The city council may change the fund balance
90 24 limitation at any time after January 1, 2007, by adopting a
90 25 resolution stating the new fund balance limitation.

90 26 Sec. 167. Section 384.12, subsection 20, Code 2005, is
90 27 amended by striking the subsection.

90 28 Sec. 168. NEW SECTION. 384.12A AUTHORITY TO LEVY BEYOND
90 29 MAXIMUM PROPERTY TAX DOLLARS.

90 30 1. The city council may certify levies in addition to the
90 31 maximum amount of property tax dollars that may be levied, as
90 32 computed under section 384.1, for the city general fund as
90 33 provided in this section.

90 34 The city council shall publish notice of a public hearing
90 35 on the additional levy proposal in the manner provided in
91 1 section 362.3. The public hearing shall be held at least
91 2 thirty days prior to the budget certification date. The
91 3 hearing shall not be held in conjunction with the hearing on
91 4 the budget provided for in section 384.16.

91 5 The notice shall state the date, time, and place of the
91 6 public hearing on the proposal. The notice shall state the
91 7 maximum property tax dollars allowed for the budget year and
91 8 shall state the amount of the addition to the maximum. The
91 9 amount of the addition shall be stated as a dollar amount and
91 10 a percentage of the maximum property tax dollars allowed for
91 11 the first budget year to which it will be applied. The notice
91 12 shall also state whether the addition to the maximum amount of
91 13 property tax dollars is a permanent addition or whether it is
91 14 for a set number of fiscal years. The notice shall include a
91 15 statement that if the percentage amount is more than three
91 16 percent, a petition may be filed requesting a special election
91 17 to approve or reject the amount of additional dollars over
91 18 three percent.

91 19 If within ten days of the date the public hearing was
91 20 conducted, a petition is filed with the city clerk in the
91 21 manner provided by section 362.4 asking that the proposal be
91 22 submitted to the registered voters of the city, the city
91 23 council shall, by resolution, either abandon the proposal,
91 24 reduce the amount of the additional dollars to three percent
91 25 or less, or direct the county commissioner of elections to
91 26 call a special election on the proposal to be held no later
91 27 than April 30 of the budget year.

91 28 2. The special election is subject to the following:

91 29 a. The city council must give at least thirty days' notice
91 30 to the county commissioner of elections that the special
91 31 election is to be held.

91 32 b. The special election shall be conducted by the county
91 33 commissioner of elections in accordance with law.

91 34 c. If the proposal is to temporarily exceed the maximum
91 35 dollars amount, the proposition to be submitted shall be
92 1 substantially in the following form:

92 2 "Vote "yes" or "no" on the following:

92 3 Shall the city of _____ levy for an additional \$ _____
92 4 each year for _____ years beginning next July 1, _____, in excess
92 5 of the statutory limits otherwise applicable for the city
92 6 general fund for the purposes of _____?"

92 7 If the proposal is to permanently increase the maximum
92 8 property tax dollars, the proposition to be submitted shall be
92 9 substantially in the following form:

92 10 "Vote "yes" or "no" on the following question: Shall the
92 11 city of _____ permanently increase its maximum property tax
92 12 dollars by adding \$ _____ to its maximum for the fiscal year
92 13 beginning July 1, _____, and retaining that amount, adjusted
92 14 by the inflation index allowed by statute, for all subsequent
92 15 fiscal years, in excess of the statutory limits otherwise
92 16 applicable for the city general fund for the purposes of
92 17 _____?"

92 18 d. The canvass shall be held beginning at one p.m. on the
92 19 second day which is not a holiday following the special
92 20 election.

92 21 e. Notice of the special election shall be published at
92 22 least once in a newspaper as specified in section 362.3 prior
92 23 to the date of the special election. The notice shall appear
92 24 as early as practicable after the city council has directed

92 25 that the proposition be submitted to the voters.
92 26 3. a. If a majority of those voting on the proposal does
92 27 not approve the proposal, the city council shall not certify
92 28 additional property taxes in excess of three percent of the
92 29 maximum property tax dollars for the budget year to which the
92 30 addition first applies. If a majority of those voting on the
92 31 proposal approves the proposal, the city council may certify
92 32 the additional dollars for the budget years approved at the
92 33 election.

92 34 b. If the proposal approved by the voters was for a
92 35 permanent addition, the amount of additional dollars approved
93 1 for the first budget year to which the addition applies shall
93 2 be added to the "current fiscal year's maximum property tax
93 3 dollars" for that budget year when computing maximum property
93 4 tax dollars under section 384.1.

93 5 If the proposal approved by the voters was for a temporary
93 6 addition, the amount of additional dollars approved shall be
93 7 added after the computation under section 384.1.

93 8 4. If a city's budget is protested pursuant to section
93 9 384.19, and for the same budget year, an election has been
93 10 petitioned for under this section, the hearing on the budget
93 11 protest shall not be held by the state appeal board until
93 12 after the results of the election have been certified by the
93 13 county commissioner of elections. If a majority of those
93 14 voting on the proposal votes in favor of the proposal, the
93 15 budget protest filed for that budget year shall be deemed
93 16 void. If the proposal is rejected by the voters, the state
93 17 appeal board may proceed with the hearing on the budget
93 18 protest.

93 19 Sec. 169. Section 386.8, Code 2005, is amended to read as
93 20 follows:

93 21 386.8 OPERATION TAX.

93 22 A city may establish a self-supported improvement district
93 23 operation fund, and may certify taxes not to exceed the rate
93 24 limitation as established in the ordinance creating the
93 25 district, or any amendment thereto, each year to be levied for
93 26 the fund against all of the property in the district, for the
93 27 purpose of paying the administrative expenses of the district,
93 28 which may include but are not limited to administrative
93 29 personnel salaries, a separate administrative office, planning
93 30 costs including consultation fees, engineering fees,
93 31 architectural fees, and legal fees and all other expenses
93 32 reasonably associated with the administration of the district
93 33 and the fulfilling of the purposes of the district. The taxes
93 34 levied for this fund may also be used for the purpose of
93 35 paying maintenance expenses of improvements or self=
94 1 liquidating improvements for a specified length of time with
94 2 one or more options to renew if such is clearly stated in the
94 3 petition which requests the council to authorize construction
94 4 of the improvement or self-liquidating improvement, whether or
94 5 not such petition is combined with the petition requesting
94 6 creation of a district. Parcels of property which are
94 7 assessed as residential property for property tax purposes are
94 8 exempt from the tax levied under this section except
94 9 residential properties within a duly designated historic
94 10 district. A tax levied under this section is not subject to
94 11 the maximum dollars levy limitation in section 384.1.

94 12 Sec. 170. Section 386.9, Code 2005, is amended to read as
94 13 follows:

94 14 386.9 CAPITAL IMPROVEMENT TAX.

94 15 A city may establish a capital improvement fund for a
94 16 district and may certify taxes, not to exceed the rate
94 17 established by the ordinance creating the district, or any
94 18 subsequent amendment thereto, each year to be levied for the
94 19 fund against all of the property in the district, for the
94 20 purpose of accumulating moneys for the financing or payment of
94 21 a part or all of the costs of any improvement or self=
94 22 liquidating improvement. However, parcels of property which
94 23 are assessed as residential property for property tax purposes
94 24 are exempt from the tax levied under this section except
94 25 residential properties within a duly designated historic
94 26 district. A tax levied under this section is not subject to
94 27 the maximum dollars levy limitations limitation in section
94 28 384.1 or the levy rate limitation in section 384.7.

94 29 Sec. 171. APPLICABILITY DATE. This division of this Act
94 30 takes effect July 1, 2006, and applies to the fiscal year
94 31 beginning July 1, 2007, and all subsequent fiscal years.

94 32 EXPLANATION

94 33 This bill makes various changes to the laws relating to
94 34 property taxation and income taxation.

94 35 Division I of the bill relates to assessment and valuation

95 1 of property. The division requires the assessor to make an
95 2 on-site inspection of property at least once every 10 years in
95 3 an odd-numbered year.

95 4 The division provides that for purposes of assessments
95 5 conducted by the department of revenue, "telegraph and
95 6 telephone company" includes cable television providers and
95 7 cellular telephone service providers.

95 8 The division combines the special appraiser's fund with the
95 9 assessment expense fund in the office of local assessor and
95 10 increases the rate limits for the assessment expense fund to
95 11 include the 40 and 1/2 cents per \$1,000 of assessed value that
95 12 may currently be levied for the special appraiser's fund.

95 13 The division allows for counties to jointly employ an
95 14 assessor.

95 15 The division provides that the assessor may assign more
95 16 than one classification to a parcel of property if more than 5
95 17 percent of the value of the property is used for a purpose
95 18 other than the primary use of the property as determined by
95 19 the assessor.

95 20 The division provides that the formula used to determine
95 21 productivity and net earning capacity of agricultural land
95 22 shall be based on a 10-year average rather than the current
95 23 five-year average. The division also requires the assessor to
95 24 consider certain factors when determining whether a parcel of
95 25 land should be classified as agricultural.

95 26 The division requires a local assessor, when assessing
95 27 property, to use the forms and rules of the department of
95 28 revenue and to apply the guidelines contained in the real
95 29 property appraisal manual prepared by the department of
95 30 revenue. The department is required to include in its rules,
95 31 forms, and guidelines a definition of agricultural land as it
95 32 relates to rural residential property or to development and a
95 33 method of assessment of agricultural structures at uniform
95 34 levels of cost.

95 35 The division eliminates the assessment limitations for all
96 1 classes of property.

96 2 The division provides that agricultural structures,
96 3 excluding agricultural dwellings, shall be valued at their
96 4 market value multiplied by the same rate that the productivity
96 5 formula applies to agricultural land.

96 6 The division provides that structures located on leased
96 7 land shall be assessed and taxed to the owner of the leased
96 8 land even if the owner of the land is not the owner of the
96 9 structure. If the leased land is exempt from taxation, the
96 10 structure shall be assessed and taxed to the owner of the
96 11 structure.

96 12 The division makes various changes to the assessment
96 13 calendar. The division changes from April 15 to September 15
96 14 the date that completed assessments are to be mailed to
96 15 taxpayers. Protests of assessment and protests of
96 16 equalization orders are to be filed with the local board of
96 17 review from September 16 through October 5. The board of
96 18 review is to conduct its sessions of filed protests from
96 19 October 1 through October 31 in the even-numbered years and
96 20 from October 1 through November 10 in the odd-numbered years.
96 21 Under current law, equalization orders are issued by the
96 22 department of revenue in the odd-numbered years. The division
96 23 allows an aggrieved taxpayer or owner who files a protest of
96 24 assessment to request an assessment review with the local
96 25 assessor prior to consideration of the protest by the board of
96 26 review. Assessment reviews are to be disposed of by September
96 27 30.

96 28 The division requires the local assessor and local board of
96 29 review to keep confidential any documents, reports, audits,
96 30 and other information supplied by a taxpayer or property owner
96 31 relating to the amount or source of income, profits, losses,
96 32 or expenditures of the taxpayer or property owner.

96 33 The division provides that individual lots within a
96 34 subdivision plat are to be assessed as acreage or unimproved
96 35 property for six years or until the lot is actually improved
97 1 with permanent construction, whichever is sooner. Currently,
97 2 the time period is three years or until the lot is actually
97 3 improved with permanent construction, whichever is sooner.

97 4 Except as otherwise noted in the division, division I
97 5 applies to assessment years beginning on or after January 1,
97 6 2006.

97 7 Division II of the bill relates to property tax credits,
97 8 exemptions, and reimbursements and to an income tax credit.

97 9 The military service property tax credit and exemption is
97 10 changed to a refundable income tax credit equal to \$35.

97 11 The homestead property tax credit is changed to a homestead

97 12 tax exemption with the state no longer reimbursing local
97 13 governments for the amount of the credit. The amount of the
97 14 exemption is equal to \$10,000 plus 50 percent of the assessed
97 15 value of a homestead over \$10,000, or \$150,000, whichever is
97 16 less. However, the exemption shall not cause the assessed
97 17 value of a homestead to be reduced to less than zero.

97 18 The extraordinary property tax credit for low-income
97 19 elderly and disabled persons is changed to a reimbursement
97 20 from the state for property taxes due. The amount of the
97 21 reimbursement for property taxes due is to be paid to each
97 22 claimant on or before September 1 of the fiscal year for which
97 23 the taxes are due.

97 24 The division repeals the agricultural land property tax
97 25 credit and makes the family farm tax credit a reimbursement
97 26 from the state for taxes paid. The division makes the current
97 27 standing appropriation of \$39 million for the agricultural
97 28 land property tax credit a standing appropriation to fund the
97 29 family farm tax reimbursement.

97 30 The division provides that the filing deadline for claims
97 31 for property tax exemption is April 1, with the exception of
97 32 charitable and benevolent exemption claims which is July 1.

97 33 The division provides that, for purposes of county and city
97 34 property taxes, statutory property tax exemptions apply to the
97 35 assessed value of improvements. The value of the land is
98 1 taxable unless the city or county adopts an ordinance
98 2 exempting the value of the improvements. The duration of such
98 3 an ordinance shall not exceed four years. An ordinance
98 4 exempting the value of improvements on land exempt from
98 5 property taxation may include imposition of a fee for
98 6 providing police protection, fire protection, street and road
98 7 maintenance, and waste collection to property fully exempted
98 8 under the ordinance. The amount of the fee cannot exceed the
98 9 amount of property taxes that would be due in a fiscal year if
98 10 the land were subject to taxation. The division provides that
98 11 for purposes of tax increment financing adopted by ordinance
98 12 before July 1, 2007, the base year assessment for this land
98 13 subject to taxation shall be the assessment year beginning
98 14 January 1, 2006.

98 15 The division also provides that the exemptions contained in
98 16 Code section 427.1, except for exemptions for property owned
98 17 by the state or a political subdivision of the state, are
98 18 repealed effective December 31, 2009. Any exemptions from
98 19 taxation enacted after January 1, 2009, shall be repealed
98 20 effective four years from the date of enactment.

98 21 The division provides that the amount of the forest and
98 22 fruit-tree exemption shall be \$1,000 per acre. The deadline
98 23 for filing for the forest and fruit-tree exemption is changed
98 24 from February 1 to April 1.

98 25 Except as otherwise noted in the division, division II
98 26 applies to assessment years beginning on or after January 1,
98 27 2006.

98 28 Division III of the bill makes changes relating to local
98 29 budgeting and taxation.

98 30 The division provides that if a new state mandate is
98 31 imposed on or after July 1, 2005, which requires the
98 32 performance of a new activity or service or the expansion of a
98 33 service beyond what was required before July 1, 2005, the
98 34 state mandate must be fully funded by the state. If the state
98 35 mandate is not fully funded, the affected political
99 1 subdivisions are not required to comply or implement the state
99 2 mandate. Also, no fines or penalties may be imposed on a
99 3 political subdivision for failure to comply or carry out an
99 4 unfunded state mandate.

99 5 The division strikes Code section 25B.2, subsection 3, and
99 6 rewrites it as a new section outside the intent section of
99 7 Code chapter 25B. The rewritten section removes a qualifying
99 8 phrase which limits the circumstances under which a political
99 9 subdivision may still be required to carry out an unfunded
99 10 state mandate. The rewritten section also strikes the
99 11 exception for federal mandates and for mandates relating to
99 12 public retirement systems.

99 13 The division enacts new Code section 25B.8 which provides
99 14 that, for appropriations made for fiscal years beginning on or
99 15 after July 1, 2005, in order for the general assembly to
99 16 reduce any standing appropriation to counties or cities, the
99 17 bill which reduces the appropriation shall be enacted on or
99 18 before March 1 preceding the fiscal year for which the
99 19 appropriation is made.

99 20 The division requires more detail relating to comparisons
99 21 of valuations and property tax amounts to be included in
99 22 county and city budgets. The division also requires that a

99 23 county and city budget include a comparison of the actual
99 24 taxes levied in the preceding year and the amount of taxes to
99 25 be levied in the proposed budget for one representative
99 26 property from each class of property.
99 27 The division changes the time period in which notice of a
99 28 public hearing on a county or city budget must be published.
99 29 Currently, the notice must be published not less than 10 nor
99 30 more than 20 days prior to the hearing. The division changes
99 31 the time period to not less than four nor more than 20 days
99 32 prior to the hearing.
99 33 The division provides that protests filed to a county or
99 34 city budget shall be limited to consideration of those items
99 35 described in the written protest. "Item" is defined as a
100 1 budgeted expenditure, appropriation, or cash reserve from a
100 2 fund for a service area, program, program element, or purpose.
100 3 The division changes from December 1 to November 15 the
100 4 date that a municipality must certify to the county auditor
100 5 amounts which qualify for payment from the special fund
100 6 established for urban renewal and tax increment financing
100 7 purposes.
100 8 The division strikes the square foot tax on mobile and
100 9 manufactured homes located in mobile home parks and
100 10 manufactured home communities and substitutes an occupied lot
100 11 surcharge payable by the owner of the land in the park or
100 12 community. The occupied surcharge is an amount equal to the
100 13 assessed value of the land in the home or park times 5 percent
100 14 times the average annual occupancy for the preceding calendar
100 15 year.
100 16 The sections of the division amending Code chapter 25B take
100 17 effect July 1, 2005. The remainder of division III takes
100 18 effect July 1, 2006, and applies to fiscal years beginning on
100 19 or after July 1, 2007.
100 20 Division IV of the bill relates to the limitation on
100 21 property taxes for counties and cities by removing the
100 22 property tax rate limitations, on the general and rural fund
100 23 for counties and on the general fund for cities, and
100 24 substituting a limitation on the maximum amount of property
100 25 tax dollars that may be certified by a county or city for
100 26 those funds.
100 27 The maximum amount of property tax dollars that may be
100 28 levied by a county for the general and rural basic funds or by
100 29 a city for the general fund is the maximum allowed in the
100 30 previous fiscal year increased by an annual price index and
100 31 net new valuation taxes. "Annual price index" and "net new
100 32 valuation taxes" are defined in the bill.
100 33 A city or county may, temporarily or permanently, increase
100 34 its maximum dollars limitation by holding a public hearing on
100 35 the proposal. If the proposal is to increase the maximum by
101 1 more than 3 percent in the first budget year, the proposal is
101 2 subject to petition and election.
101 3 Division IV takes effect July 1, 2006, and applies to
101 4 fiscal years beginning on or after July 1, 2007.
101 5 Additional conforming amendments may be necessary to fully
101 6 implement this bill.
101 7 LSB 1064SC 81
101 8 sc:rj/cf/24